

CAIRNGORMS NATIONAL PARK AUTHORITY

ÙGHDARRAS PÀIRC NÀISEANTA A'
MHONaidH RUaidH

ANNUAL REPORT AND ACCOUNTS 2020/21

*...AN OUTSTANDING NATIONAL PARK,
ENJOYED AND VALUED BY EVERYONE,
WHERE NATURE AND PEOPLE THRIVE
TOGETHER...*

AITHISG BHLIADHNAIL AGUS CUNNTASAN 2020/21

*...SÀR PHÀIRC NÀISEANTA, A THA A' CÒRDADH
RIS A H-UILE DUINE AGUS AIR A BHEIL IAD UILE
A' CUR LUACH, AGUS FAR A BHEIL NÀDAR AGUS
DAOINE A' SOIRBHEACHA...*

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I PERFORMANCE OVERVIEW

I.1 Key Personnel and Sponsoring Department

Chief executive and accountable officer

Grant Moir

Directors

David Cameron – Corporate Services

Murray Ferguson – Planning & Rural Development

Dr Peter Mayhew – Conservation & Visitor Experience (resigning with effect from November 2021)

Convenor

Xander McDade

Board members

Peter Argyle

Geva Blackett, Deputy Convenor (resigned 29th July 2020)

Carolyn Caddick, Deputy Convenor (appointed 2nd October 2020), Chair Staffing and Recruitment Committee

Deirdrie Falconer

Pippa Hadley

Janet Hunter

John Kirk

John Latham

Douglas McAdam

Dr Fiona McLean

Anne Rae MacDonald

Eleanor Mackintosh, Chair Planning Committee (resigned 11th December 2020)

Ian Maclaren

Willie McKenna

William Munro, Chair Finance and Delivery Committee

Dr Gaener Rodger, Chair Planning Committee (appointed 18th December 2020)

Derek Ross

Judith Webb, Chair Audit and Risk Committee

Sponsoring body

Environment and Forestry Directorate, Natural Resources Division, Scottish Government

I.2 Chief Executive's Forward

I have pleasure in presenting the Cairngorms National Park Authority's (the Park Authority) Annual Report and Accounts covering its 17th year of operation, from 1 April 2020 to 31 March 2021.

This past 18 months have been unlike any that the organisation or the wider Park has gone through since its inception in 2004. The Covid-19 pandemic has changed the way the organisation operates and will influence how it operates in the future. This past year the entire staff group has been working from home and board meetings and committees have all been held virtually. Board meetings have been broadcast and all meetings with stakeholders have been held online. Many of these changes are here to stay, with less travel and easier access for more people. However, this overnight change put pressure on our corporate resources to ensure that this new way of working could be supported and I am glad to say that the organisation rose to the challenge.

The consequences of the pandemic has also been seen in the visitor management challenges that the Park has faced, with increased numbers of people looking to recreate in the Park. This led to the creation of Park-wide Managing for Visitors group, a CNPA Ranger Service for the first time and significant extra funding for visitor infrastructure projects across the Park. At the same time the Park Authority also quickly established a Green Recovery Plan and accompanying fund to help projects locally that supported a green recovery.

The Authority has once again been light on its feet and able to respond to challenges as they have arisen, enhancing our reputation locally and nationally as a dynamic, innovative organisation able to handle a wide range of sometimes competing priorities despite its relatively small size. While responding effectively to the various challenges posed by the COVID19 pandemic, our internal work to build an organisation valued by our staff with an open culture has been recognised with another national award: as one of the top 10 employers in Scotland for flexibility in staff contracts and working arrangements awarded by Flexibility Works.

All of this was done whilst continuing to deliver the priorities set out in our Corporate Plan and the big challenges around addressing the climate and nature's crises, building a well-being economy and delivering affordable housing.

The Park Authority continued throughout the year to deliver across conservation, visitor experience and rural development. This involved us in providing effective and efficient public services covering our statutory functions of planning and access, and also in our wider roles working with a wide range of partners to deliver projects on the ground that deliver on our outcomes.

This has been achieved through leveraging in significant additional funding into the National Park on conservation projects, rural regeneration projects, access projects, and much more besides. It has been a busy year and some of the key highlights of our work in the National Park are in this Annual Report and Accounts. Our results for the year set out in these accounts highlight the Authority has once again achieved its annual financial target of a financial break-even, making full use of resources made available by Scottish Government and our other funding partners, while not imposing any unexpected call on public resources.

The 2020/21 operational year has also seen us develop a £12.5m bid with around 45 partner organisations for the NLHF Heritage Horizon Awards. This bid was successful, with a full amount of funding announced in July 2021, and will provide a solid foundation to address the climate and nature crises in the Park. The Authority has also been working with partners to

develop the next National Park Partnership Plan for 2022-27 which will provide the context for the future work of the Authority and will be out for public consultation this autumn.

This past year has not been easy for staff or board members. It has not been easy for individuals, businesses or communities in the Park. It has, however, shown the strength of people working together to tackle key challenges as they arise. In my almost 10 years working in the Cairngorms National Park the collective endeavour to tackle the issues collectively has never been so strong.

I think this stands us in good stead for tackling the big challenges ahead, particularly around building a 'Green Recovery' and tackling climate change. It just remains for me to thank everyone who has helped over the past year to enable the Park Authority to continue to deliver for this incredible place, the Cairngorms National Park.

Grant Moir, Chief Executive and Accountable Officer
10, September, 2021

I.3 The Park Authority

The Cairngorms National Park is the largest National Park in the United Kingdom and covers 4,525 square kilometres, twice the size of Loch Lomond and the Trossachs and 40% larger than the Lake District.

The Park Authority is a Non-Departmental Public Body sponsored by the Environment and Forestry Directorate, Natural Resources Division, Scottish Government, established under the National Parks (Scotland) Act 2000 with the purpose of being a model of sustainable development working towards achieving four statutory aims:

- to conserve and enhance the natural and cultural heritage of the area;
- to promote sustainable use of the natural resources of the area;
- to promote understanding and enjoyment (including enjoyment in the form of recreation) of the special qualities of the area by the public; and
- to promote sustainable economic and social development of the area's communities.

Strategy and business model

The Park Authority has a key role in leading the delivery of the Cairngorms National Park Partnership Plan. The Plan sets the context for close cooperation and partnership across public, private and voluntary organisations in the Park towards an agreed set of shared priority objectives. The National Park Partnership Plan sets out three long term outcomes for the Park, which have also been used as the basis for developing the Corporate Plan. The Cairngorms National Park Partnership Plan 2017-2022 (CNPPP), which was approved by Ministers, provides the overall guide for strategic alignment between public agencies within the Park, and also with private and community organisations who are signatories to and partners in delivery of the CNPPP.

The Park Authority's Corporate Plan was approved by the Board and Scottish Ministers in spring 2018 to cover our work up to the end of the current CNPPP and the development of the following Park Partnership Plan which will be put in place to commence from April 2022. In the wider Scottish context, the Park Authority will also work on ensuring greater strategic alignment to ensure delivery of key national strategies, such as current and future Programmes for Government, 2020 Challenge for Scotland's Biodiversity, Scottish Climate Change Act, the Land Use Strategy for Scotland, Scotland's Economic Strategy, National Planning Framework, the Community Empowerment Act, the national Tourism Strategy 2020, the National Walking Strategy and the Cycling Action Plan for Scotland.

Our strategic work includes being an active member of the Environment and Economy Leaders' Group, together with input to a range of national leadership and stakeholder groups.

Our commitment

Following engagement with staff and our Board in 2016 we adopted a vision, mission statement and a set of values, as part of our corporate planning processes, which are central to our purpose and strategic context:

Our vision – an outstanding National Park, enjoyed and valued by everyone, where nature and people thrive together;

Our mission – to lead the way in delivering for the Cairngorms National Park by bringing people together towards a common purpose; enhancing the Park for everyone and inspiring new generations to be Park Champions;

Our values – the CNPA is an **open, inclusive, innovative** and **professional** organisation that behaves with **integrity**. The CNPA will also operate in an **environmentally friendly** way that provides leadership in this area.

Our culture – ...to be the best small public body in Scotland.

We aspire to be the best small public body in Scotland. Our staff survey results, undertaken every 2 years through “The Best Companies Survey” has shown that we are a people oriented organisation performing well. We were delighted to once again be listed in the Top 100 Not For Profit Organisations in the UK wide survey in autumn 2019. We will continue to build on our Organisational Development Strategy to imbed a high performance, high achieving and high quality culture. The Park Authority will be innovative, quick to act and empower staff to deliver the strategies put in place by our Board.

We will continue to build on our Organisational Development Strategy to imbed a high performance, high achieving and high quality culture based on an equalities and staff focused culture. The Park Authority will continue to be innovative, quick to act and empower staff to deliver the strategies put in place by our Board.

New ways of working: the impacts of COVID19, climate change and future operations

As has been the case for all organisations across all sectors over 2020/21, the impact of COVID19 and consequential lockdown arrangements has significantly changed the way the Authority has gone about its work. Our Board and staff arrangements have been subject to our successful Business Continuity Planning (BCP) arrangements, with all governance and staff operations changed to a remote and virtual basis, primarily working from home and making use of video conference and other digital and information management technologies to deliver our business.

The Cairngorms NPA has adopted new working models and practices which have supported a range of successful outcomes over the year as we continue to deliver against our existing strategic objectives.

We have also adopted new strategic focus for our work over the course of the year: a nature based, green recovery from COVID19 impacts which seeks a sustainable, nature based economic recovery within the Cairngorms while delivering urgent action to address climate change. Our ‘Net Zero With Nature Strategy’ was adopted just before the pandemic caused lockdown to commence, while our Green Recovery Strategy was approved by our Board as early as June 2020, just three months into the national management of COVID19.

In addition to changing our working practices, these strategies resulted in the Cairngorms NPA changing our operational mode: we implemented an employed Seasonal Ranger Service for the first time, having rangers on the ground by June 2020. This initiative recognised the increasing number of visitors expected to the Cairngorms as travel to other countries was replaced by visits within Scotland and the UK over 2020. We instigated a new Green Recovery Grant Fund with a fund of £250,000 which was fully allocated by a partnership

panel to support community and business based green recovery projects. Both these initiatives were designed, approved and operational within 3 months of commencement of the COVID response, evidencing once again the dynamic, responsive nature of the organisation and commitment and professionalism of our staff group.

This dynamic, responsive organisational ethos will continue. The Park Authority will continue to look at new ways to operate to deliver our commitments in the current National Park Partnership Plan. This will include continuing our success in looking for alternative funding opportunities, including applications to funds, such as the National Lottery Heritage Fund, sponsorship opportunities and merchandising. It also includes working collaboratively with partners to deliver improved services. We also continue to strive for more efficient, and sustainable working practices internally through delivering against the third phase of our Organisational Development Strategy.

Our future funding has received a significant boost from Scottish Government for 2021/22, with step change increases in funding supporting continuation of the COVID responses and more permanent changes to the Cairngorms NPA's ways of working. Both the Seasonal Ranger Service and Green Recovery Fund are being delivered again over the course of the year to 31 March 2022. We have augmented this response by the design and deployment of a permanent ranger service over 2020 bringing increased staffing to support our management and enhancement of a positive visitor experience in the Cairngorms. We have also received significant sums of funding direct to the Authority to deliver the Cairngorms Peatland Restoration Programme, while an augmented capital allocation will support our development of a multi-year, targeted capital investment programme.

The Authority has also had a further significant award of resources to support further innovation and work on conservation and climate action with the announcement in July 2021 by the National Lottery Heritage Fund of an allocation of £12.6 million toward the Heritage Horizons (Cairngorms 2030) programme with total budgeted expenditure of £43.2 million. The project spans a 2 year development phase, to which a development grant of £1,715,500 has been awarded to support total development phase costs of £3,805,210. Remaining funding over the development phase is supported by an annual £150,000 contribution from the Authority together with support from a large number of funding partners. Similarly, the subsequent 5 year delivery phase will be supported by a wide range of funding partners. This grant award makes a huge contribution to supporting the Authority's work on conservation; in encouraging and implementing innovation and behaviour change to support action on climate change; and in supporting greater community participation in adaptation to a net zero lifestyle.

The wide scope of delivery of the Heritage Horizons programme represents a further step-change in our organisational structure and the scale of our operations. We will also, accordingly, focus attention on ensuring the resourcing and structure of our corporate support services are appropriate to the changing scale of organisation these services are supporting. The first step in this, a management restructure to focus appropriate levels of management resources to delivery of these new operational areas, was completed at the start of the year. This included provision for the Heritage Horizons programme should the Authority's bid prove successful as is now the case.

Performance monitoring

Performance indicators have been set for each of our key themes against which we will measure and monitor performance. By the nature of the Park Authority's role, in seeking to lead collaborative effort in tackling the big issues for the Cairngorms, these performance measures are rarely entirely controllable by the Park Authority. Rather, they require collaboration and engagement with our partners and are measures of the effectiveness of our leadership and influencing, combined with our direct investment of finance and staff resources, in addressing our priorities. We compile performance monitoring reports twice each year to the Authority's Board, with all of these reports available on our website.

The most recent report which spans the period to 31 March 2021, together with detail of performance against each measure, is available at:

<https://cairngorms.co.uk/resource/docs/boardpapers/11062021/210611CNPABdPaper2AACPUUpdateCoverVI.IGM.pdf>

Further detail on our most recent performance against our key performance measures is available in the Annexes to this report, available at:

<https://cairngorms.co.uk/working-together/meetings/meeting/board-2021-06-11/>

Overall, the Authority has successfully delivered against the majority of our key performance indicators in 2020/21 despite the impact of COVID19 on our normal operational delivery methods throughout the year. We highlighted at the end of the year in the report linked above that aspects of our work on conservation around wildlife crime and peatland restoration did not meet our challenging targets, as does our work to equalise the economic impacts of the National Park across all areas of the Cairngorms. We continue to push to deliver improvement actions in the year ahead.

Principal Risks Under Management

The Authority has continued to manage our strategic risks in accordance with our agreed Risk Management strategy over the course of the year, together with managing a specific set of COVID19 and Business Continuity delivery risks. Our scope of risks managed include:

- Funding levels, which have been successfully mitigated through our work with Scottish Government on budget allocations, together with external funding bids;
- Managing our staff resources, both on wellbeing and deployment to key priorities, mitigated through implementation of effective development conversations and effective Human Resources policies and services.
- Managing potential exposure to ineligible activity and spend in funded projects, mitigated through implementation of effective control systems supported by internal audit review.
- Managing the Authority's Information and Communications Technology service and cyber security robustness, mitigated through appropriate levels of investment, shared services, and full implementation of Scottish Government and internal audit cyber security recommended actions.
- Managing risks around the maintenance and enhancement Authority's positive reputation, mitigated through design and implementation of an appropriate communications strategy and investment in our communications team.
- Managing external risks of dependencies on private contractor capacity and stakeholder contributions through design and implementation of appropriate influencing and support systems.

Financial Performance Overview

We have delivered against our financial targets of a break-even position, making full use of resources made available by Scottish Government and our other funding partners, while not imposing any unexpected call on public resources. Total income of £7.1 million, including grant-in-aid made available by Scottish Government, is matched by our expenditure managed in the year of an equivalent £7.1 million.

A more detailed analysis of the Cairngorms NPA's performance over 2020/21 and our future plans is presented in the following 'Performance Analysis' section of this report.

PERFORMANCE REPORT: PERFORMANCE ANALYSIS

1.4 Strategic Aims and Priorities 2020/21 and beyond

We contribute to delivery of the long term outcomes in the Cairngorms National Park Partnership Plan, through working to achieve our agreed Corporate Plan strategic objectives. Our strategic aims and priorities are set out across three Themes of Conservation, Visitor Experience and Rural Development. Each of these three themes set out a number of priority objectives. Corporate Services and Communications support the main themes and their outcomes.

Conservation – to be a special place for people and nature with natural and cultural heritage enhanced

The Cairngorms National Park is the premier area in the UK for nature conservation, with 50% of the area recognised as important on a European scale through Natura 2000 designation. Home to some of the most extensive and internationally important montane, woodland, river and wetland habitats, our role is to bring partners together to deliver conservation at a landscape scale and engage the public in this endeavour.

Priorities:

- support landscape-scale conservation, especially the expansion of native and montane woodland, peatland restoration, natural flood management and capercaillie management;
- ensure deer management is focused on delivering public interest priorities specifically the expansion of native woodlands and peatland restoration;
- support sustainable moorland management to deliver greater habitat diversity and good management practice.

Visitor experience – people enjoying the Park through outstanding visitor and learning experiences

The Cairngorms National Park is an internationally renowned visitor destination with an outstanding range of outdoor recreation opportunities. Our role is to ensure the quality of visitor experience matches the quality of environment by coordinating investment in the core infrastructure, carrying out our role as an Access Authority, promoting sustainable tourism and ensuring people of all ages, backgrounds and abilities are able to experience and enjoy the National Park.

Priorities:

- continue to ensure visitor infrastructure meets the expectations of visitors to the National Park and help deliver a sustainable tourism economy;
- increase physical activity in both residents and visitors and support delivery of Scotland Natural Health Service;
- create a 'Park for All' by encouraging people from all backgrounds to come and recreate, learn in or visit the National Park.

Rural development – a sustainable economy supporting thriving businesses and communities

Delivery of our priorities within the Cairngorms National Park can only come through close joint working with the people who live and work in the communities of the Park. Our role is to promote investment in a diversified economy, help communities plan and achieve their own visions and deliver a Planning Service to guide the right development to the right place.

Priorities:

- support delivery of housing for local needs through an efficient and effective planning service;
- support communities, specifically focussing on the most fragile, to deliver their agendas for change;
- work closely with the business community and partners to support a sustainable Park economy.

Support themes

The delivery of the themes and priorities is supported by Communications and Corporate Services teams. Our Communications team works with visitors, communities and stakeholders to raise the profile of the Park and create a connection and commitment to care for it. Our Corporate Services team ensure the delivery of effective, efficient and sustainable services in addition to promoting the highest standards of governance, both within the Park Authority itself and also in working with community and voluntary organisations involved in delivery of NPPP priorities.

Corporate services

Delivering effective, efficient and sustainable services and promoting the highest standards of governance, to support delivery of the Corporate Plan and Cairngorms National Park Partnership Plan by the Park Authority and our community and charity partners. We will also play an active role in the Environment and Economy Leaders' Group.

Priorities:

- implement the Organisational Development Strategy and embed the organisational and cultural improvements to make the Park authority the best small public body in Scotland;
- ensure that the office extension, existing accommodation and ICT facilities are 'fit for purpose' and help to deliver the Organisational Development Strategy;

- deliver ongoing service improvement, including appropriate shared services development and operation, to the Park Authority, other public bodies and the community and charitable organisations we support;
- promote and support the highest standards of governance and management, including equalities actions, within the Park Authority, other public bodies and the community and charitable organisations we support.

Communications and engagement

Communicating with visitors, communities and stakeholders is vital for the work of the Cairngorms National Park Authority. It supports the work being undertaken across the organisation to deliver on conservation, visitor experience and rural development. Our role is to raise the profile of the Park and create a connection and commitment to care for it with identified audiences so they actively support the Park and benefit from doing so.

Priorities:

- deliver the Communication and Engagement Strategy and increase awareness, engagement and involvement with the Park;
- ensure high quality internal communications that help deliver the key priorities of the Corporate Plan.

1.5 Key Issues and Risks

Risk management and consideration of issues arising that may impact on the delivery of our strategic corporate priorities are central to our management activities within the Park Authority. The Management Team reviews strategic risks at least quarterly, and we have developed and embedded strategic and operational risk management practices, together with project management processes, to take full cognisance of these core aspects of effective organisational and strategic control arrangements.

The Park Authority has developed a Strategic Risk Management Strategy and associated Strategic Risk Register, which, in tandem with our corporate performance and monitoring system, details the key issues and risks around delivery of our Corporate Plan together with the strategic objectives and key performance indicators set out in that plan. The Board receives detailed reports and comments on key issues and risks twice annually, with the Board's Audit and Risk Committee reviewing strategic risk management between these Board meetings. The most recent review of key issues and risks was considered by the Board as part of their review of corporate performance and risk management over 2020/21 in June 2021:

[210611CNPABdPaper2Annex3Strategic Risk Register v7.1Final.pdf \(cairngorms.co.uk\)](https://cairngorms.co.uk/210611CNPABdPaper2Annex3Strategic%20Risk%20Register%20v7.1Final.pdf)

Significant projects will also have their own embedded risk registers and risk mitigation plans. More information on risk and internal controls can be found in the Governance Statement within this document and in our Risk Management Strategy available at:

[http://cairngorms.co.uk/resource/docs/boardpapers/15062019/180615CNPABdPaper4Annex1RiskManagementStrategyV0.1.pdf](https://cairngorms.co.uk/resource/docs/boardpapers/15062019/180615CNPABdPaper4Annex1RiskManagementStrategyV0.1.pdf)

Our business continuity planning and operational management during the period of COVID19 restrictions in particular has been supported by a specific risk management approach and a dedicated risk register, reported on regularly through our project

management team, organisational Senior Management Team and Board Audit and Risk Committee.

I.6 Financial Performance Summary

This section provides a summary of the Authority’s financial performance for the year against the Board approved budget and grant-in-aid awarded by the Scottish Government.

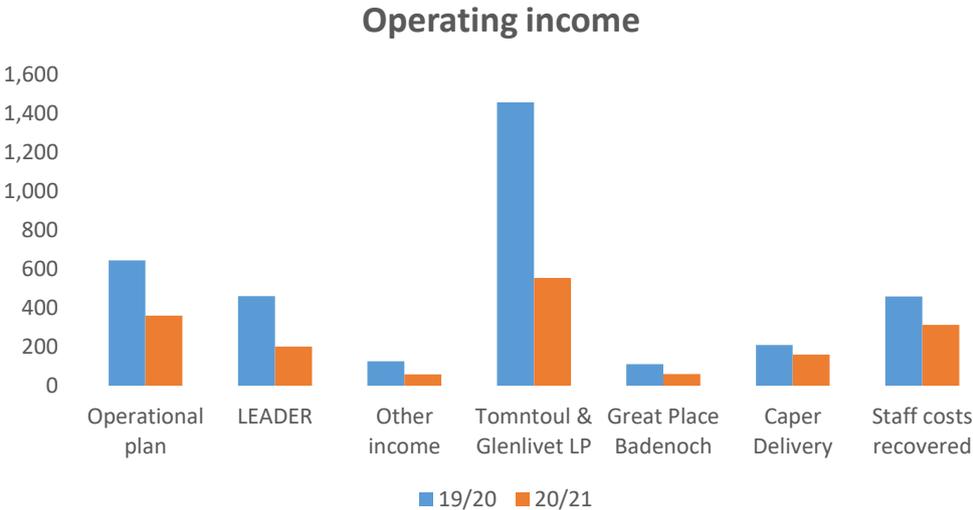
The main sources of the Park Authority’s funding for the year were grant-in-aid funding from the sponsoring body the Environment and Forestry Directorate, Natural Resources Division, of the Scottish Government.

The Authority also acts as Accountable Body for the Cairngorm LEADER programme and The National Lottery Heritage Fund (NLHF) and partner funded projects, the Tomintoul and Glenlivet Landscape Partnership (T&GLP), Great Place Badenoch and the delivery phase of the Capercaillie Framework.

Our total funding for the year reduced by £1.310m from 2019/20 reflecting the reduction in activity in the National Lottery Heritage Fund funded Tomintoul & Glenlivet Landscape Partnership (T&GLP) and the LEADER programme as they neared completion.

Grant-in-aid received in the year was £5.415m, an increase of £.448m from 2019/20. Grant-in-aid was allocated as Resource grants £4.928m (2020: £4.727m an increase of £.201m) was received against operational activities, together with Capital grants of £0.487m (2020: £0.240m, an increase of £.247m). The increases include additional funding made available during the year for peatland recovery work (£.127m, [resource £.030m and capital £.097m]).

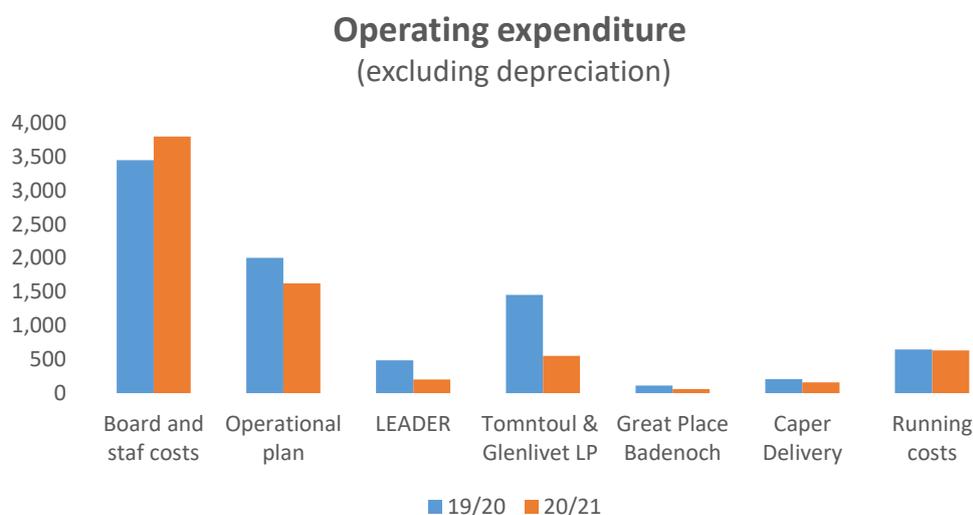
Operating Income



Operating income was £1.758m less than 19/20 due to the significant drop in activity in the National Lottery Heritage Fund (NLHF) funded Tomintoul & Glenlivet Landscape Partnership (T&GLP) and the LEADER programme as they neared completion. Both were originally due to complete in the year and both were extended into 2021/22 as agreed responses to COVID19 delivery delays by respective funders. T&GLP completed in May 2021 with the final grant claim submission and receipt of all outstanding monies from match funding partners within this revised deadline agreed with the NLHF as the lead funding

partner. The LEADER programme was extended to 31 December 2021 by the Scottish Government acting as the lead funding body for LEADER across Scotland.

Operating expenditure



Due to the reduction in the activities of the Tomintoul & Glenlivet Landscape Partnership (T&GLP) and the LEADER programme operating expenditure was reduced by amounts corresponding to changes in income levels. The reduction in operating expenditure, compared to 2019/20 was £1.331m. Additional operating expenditure was covered by the increase in grant-in-aid of £0.448m.

The completion of the T&GLP project marks the end of a project started in 2015 with £3.746m invested in many projects in the Tomintoul and Glenlivet communities by the time of the formal closure of the project in May 2021.

Staff costs, including Board fees, accounted for 53.3% of total income (2019/20 40.9%). As a percentage of spend of grant-in-aid received this was 70.2% (2019/20 69.5%).

Outturn to budget (excluding depreciation and non-cash allocations)

A budget is agreed with the sponsoring department with an agreed level of funding support representing the Authority's allocations of Departmental Expenditure Limited (DEL) which covers all expenditure net of income from all other sources. DEL is further split between cash allocations (resource [RDEL] and capital [CDEL]) and non-cash allocations. Non-cash DEL covers depreciation and impairment of non-current assets, which are capitalised tangible and intangible assets included in the Statement of Financial Position at the year end.

| | Budget* | Actual | Variance |
|------------------------|----------------|---------------|-----------------|
| | £,000 | £,000 | £,000 |
| Total income ** | 5,054 | 7,075 | 2,021 |
| Staff cost | (3,151) | (3,800) | (649) |
| Office running costs | (692) | (634) | 58 |
| Operational plan costs | (1,235) | (2,601) | (1,366) |
| Outturn | <u>(24)</u> | <u>40</u> | <u>64</u> |

* The budget is that presented to the Board on 28 March 2020, and exclude projects costs and recoveries, the net effect is nil reflecting full recovery of costs.

** Total income is grant-in-aid less capital expenditure capitalised.

Outturn to grant-in-aid allocation

| | Resource DEL £,000 | Cash Capital DEL £,000 | Total DEL £,000 | Non- Cash DEL £,000 | Total DEL £,000 |
|---------------------------------------|--------------------------|---------------------------------|-----------------------|------------------------------|-----------------------|
| Grant-in-aid | 4,928 | 487 | 5,415 | 330 | 5,745 |
| Expenditure | | | | | |
| Resource expenditure | 4,907 | - | 4,907 | 25 | 4,932 |
| Capital grants | - | 392 | 392 | - | 392 |
| Net expenditure | 4,907 | 392 | 5,299 | 25 | 5,324 |
| Depreciation | - | - | - | 149 | 149 |
| Comprehensive net expenditure | 4,907 | 392 | 5,299 | 174 | 5,473 |
| Non-current assets bought | - | 51 | 51 | - | 51 |
| | 4,907 | 443 | 5,350 | 174 | 5,524 |
| Grant-in-aid (under)/overspend | (21) | (44) | (65) | (156) | (221) |
| | .4% | 9% | | 47.6% | |

* The capital grant awarded included £0.097m for Peatland Recovery work of which £0.053m was spent in the year due to COVID restrictions which delayed grant approval processes and planning and access to sites to start recovery work.

** The non-cash allocation is made up of 3 components: depreciation which was to cover the depreciation of capitalised tangible and intangible assets, depreciation on capitalised leases under IFRS 16, and a late award for £0.001m to cover the increase in the staff holiday pay accrual which is non-cash expenditure. Implementation of IFRS 16 was again postponed, due to covid, and is now due to be introduced for accounting periods commencing 1 April 2022.

Transfer to Taxpayer's funds

We are transferring (£0.058m) for the year (2019: £0.079m) to Taxpayers' equity, summarised in the table below. After accounting for capital investment creating £0.051m in new tangible and intangible assets, and capital grants of £0.392m, the potential budget overspend at the commencement of the year was managed to a small underspend on resource spending of £0.040m. We consider this an excellent outturn position in a difficult year as the Covid-19 pandemic severely impacted our and partners' operations.

| | £,000 |
|--|---------|
| Total cash grant-in-aid received | 5,415 |
| Less net expenditure | (5,324) |
| Less depreciation | (149) |
| Transfer for year to Taxpayers' equity | (58) |

The accounts for the year to 31 March 2021, set out on pages 55 to 70, are prepared on a going concern basis, and in a format directed by Scottish Ministers in accordance with the

National Parks (Scotland) Act 2000. A copy of the Accounts Direction is reproduced in Appendix I.

Changes in non-current assets

Movements in non-current assets are shown in note 8.

Charitable donations

There were no charitable donations made in the year or previous year.

Relationship with suppliers and partners

Our supplier payment policy complies with the terms of the Better Payment Practice Code. During the year to 31 March 2021, the time taken to pay creditors achieved an average of 10.9 days (2020: 9.4 days) against a target of 10 days (2020: 10 days), with 66.3% (2020: 71.0%) of payments being made by the target date.

Anti-bribery and corruption

The Authority has adopted a zero tolerance policy against, fraud, bribery and corruption reflected in clear policies on conduct expected from staff and on hospitality.

There were no reports of fraud in 2020/21 or 2019/20.

Ministerial Direction

There were no ministerial directions received from Scottish Government in 2020/21.

1.7 Operating Performance Summary

As set out in the preliminary sections of this report, our operations over the course of 2020/21 have been significantly impacted in the mode of delivery by our business continuity plans required to manage the impact of the COVID19 pandemic. Despite this, the Cairngorms NPA has made significant, positive progress in the realisation of our strategic objectives through the third year of our current four year Corporate Plan. The Authority has also recognised at the end of 2020/21 that we face some significant challenges around the realisation of some of our aspirations, particularly on a few specific aspects of our nature conservation objectives.

The Authority's Board receives quarterly updates from the Chief Executive on activities and performance to supplement the corporate performance reports linked above. The most recent such report is available at:

<https://cairngorms.co.uk/resource/docs/boardpapers/11062021/210611CNPABdPaperIAACEOReportV1.0.pdf>

All quarterly update reports are published on our website to allow ongoing, open public awareness of the work of the Authority. We have distilled the key highlights and outstanding issues in our delivery of our strategic aims in the following sections of this Annual Report.

2020/21 Activity Highlights

Conservation

Having reported last year that research had confirmed our **woodland expansion** target of 5,000 ha over a five year period as an appropriate contribution within the Cairngorms to existing national targets, early indications are that our delivery through supporting the Forestry Grant Scheme and our Woodland Challenge Funding will exceed this target by the end of the period. Some 2,948ha of new woodland has now been created, with significant interest coming from land managers in woodland expansion funding complemented by wider action on deer management.

Development and delivery of the **Cairngorms Nature Strategy**, through the partnership delivery of the **Cairngorms Nature Action Plan 2019 to 2024**, continues to progress well. Approaching the half-way point of delivery against the Plan, 83% of targets and actions are considered as either complete or progressing as expected; 11% are delayed or requiring additional effort, largely due to COVID-19 restrictions during 2020/21; 4 % are considered to be at significant risk of not being delivered; and 2% are unreported. The three areas of work that are assessed as being at risk of targets not being met or work not progressing satisfactorily are: meeting the target for peatland restoration, expanding home range occupancy and breeding success of raptors, and meeting the target for capercaillie population status.

Our strategic focus on **Peatland Restoration** has been recognised through securing a three-year financial allocation totalling £8.45 million from Scottish Government commencing April 2021 to cover some 3,500 ha of restoration. We have now increased our Peatland Action Team to bring in sufficient capacity within the organisation to manage the scale of this programme. Our delivery to date on peatland restoration has been significantly hampered by COVID19 restrictions over 2020/21 and by restricted contractor capacity. A total of 2,128ha of restoration has been achieved over the three years of our Corporate Plan to date, against a target of 3,000ha.

We continue to work with a wide range of partners on our strategic objective to **eliminate raptor persecution** and develop wildlife tourism project around raptors. However, this aspect of our work continues to be highlighted as an escalated risk in our delivery, with a number of further incidents of wildlife crime reported in the Cairngorms over the last year. The raptor trackers acquired with funding from NatureScot will be deployed in summer 2021. Work with Police Scotland and other partners to try to reduce incidents is ongoing. Broader raptor work in the Park is being discussed, including improved monitoring, conservation projects and ways of shifting the 'raptor culture' in parts of the Park.

The Authority successfully supported the partnership delivering the **Cairngorms Capercaillie Project** to secure a 'delivery phase' grant from National Lottery Heritage Fund (NLHF) to deliver the findings of the development phase, and through this work contribute to the delivery of the **Capercaillie Framework**. Capercaillie habitats are hybrid spaces where people and nature coexist. Involving people to secure wider ownership of solutions and treating conservation as a socio-economic issue as well as an ecological one is now critical to prevent extinction in Scotland. The project complements the ongoing, ecologically focussed work being done by agencies and organisations with a people focussed approach, empowering communities of place and interest to develop and take ownership for their own ideas as to how they can play their part in capercaillie conservation. Our current assessment of the contribution targeted by work in the Cairngorms on capercaillie

conservation suggests capercaillie population numbers are unlikely to be met, and is now flagged as a red rated risk in our corporate performance framework. Full national survey results are due in 2022 but other surveys suggest population has declined seriously from the 1,100 birds estimated 2016.

Our **work with Deer Management Groups (DMGs) to deliver public interest priorities** progresses well, with one positive impact reflected above on the positive impact of deer management in contributing to woodland expansion targets. A report commissioned on deer management and habitat impacts across the Cairngorms National Park indicates that average deer densities across the Park are around 11 deer/km²: a significant reduction over the last 20 years and approaching our strategic target adopted of 11 deer/km². This report does recognise major variations from 4 to over 20 deer/km².

Conservation Key Performance Indicators

| Indicator | Target | Update | Delivery Risk |
|---|--|---|--|
| Area of new native woodland | 1,000 hectares (ha) each year | 2,948 ha created through Scottish Woodland Grant Scheme since 2017 | Green , on target |
| Area of peatland restoration | 1,000 hectares (ha) each year | Multi-year funding secured for 10 projects covering 3,500 ha. A total of 2,128ha restoration work achieved; contractor capacity restrictions recognised | Red , significantly behind schedule |
| Deer density across deer management groups | Reductions towards or less than 10 per km ² | Average deer densities across the Park are around 11 deer/km ² | Amber , approaching target with significant levels of variation |
| Number of capercaillie | 1,200 by 2022 | Significant concern from emerging data that population numbers are in decline. | Red , significant risk that this objective will not be achieved |
| Number of wildlife crime incidents in Cairngorms NP | Zero each year | Wildlife crime continues to occur. Raptor tracker planned for roll-out in summer 2021. Plans to shift raptor culture in development. | Red , zero tolerance ambition not achieved |

Visitor Experience

The 2020/21 year saw two significant achievements in our priority on **Long Distance Routes** with the Speyside Way extension constructed and being well used and the completion of ‘The Mountains and The People’ project led by the Outdoor Access Trust for Scotland (OATS) upgrading 51.8km of mountain paths in the Cairngorms from a five year target of 53km.

With the significant impacts of COVID19 on tourism over the course of the year, the Authority coordinated a Tourism Emergency Response Group along with a Management for Visitors Group to plan and manage for COVID related work. This COVID response complemented our ongoing work on delivery of the **Tourism Action Plan** which underpins the Park's status with the European Charter for Sustainable Tourism in Protected Areas. The Authority led on a mid-term review of the Action Plan, which was considered by CNPA Board in March 2021. We successfully secured funding for two projects on National Nature Reserves at Glenmore (multiuse tarmac path) and Muir of Dinnet (car parking, toilet upgrade and sewage disposal) with both projects now complete over the course of the year, enhancing the visitor infrastructure available in Cairngorms National Park. With the significant increase in capital funding available to the Authority from April 2021, we are embarking on development of a multi-year capital investment programme covering all aspects of our work including tourism and visitor infrastructure.

Our **Volunteer Programme** has also been significantly impacted by COVID19 throughout the last year with activities suspended for much of the year. We have trained 38 volunteer rangers since the commencement of our corporate plan programme, who supporting the work of partners cross Cairngorms as part of our ongoing project supported by Cairngorms LEADER. These volunteers began to come back to their roles from May 2021.

The strategic objective on **Active Travel** has been progressed through the year through a considerable amount of partnership collaboration on future ideas now built into our Heritage Horizons bid to National Lottery Heritage Fund (NLHF). Our success with this bid to the NLHF will add a huge impetus, a committed broad partnership and significant investment of funding to this work over the coming years. Additionally, the 16 health walks groups have begun to reform and become active as COVID19 restrictions ease as safe activities can be designed.

The Authority continues to support **John Muir Awards and Junior Ranger Programme** as part of our work in developing a 'Park for All', and despite COVID restrictions almost 1,000 John Muir Awards were completed over the year. We have supported the Cairngorms NPA Equalities Advisory Panel to refresh and refocus its engagement, advice and support to the Authority in seeking to achieve our Park for All objectives, and this Panel has now met 6 times since October 2020.

Visitor Experience Key Performance Indicators

| Indicator | Target | Update | Delivery Risk |
|-------------------------|-----------------------|--|-----------------|
| Length of path upgraded | 20km upgraded by 2022 | 51.8km of path upgraded in Cairngorms through The Mountains and The People Project | Target achieved |
| Length of path extended | 6km new path by 2022 | 6.5km of new path building along Speyside way and Seven Bridges path, Ballater | Target achieved |

| | | | |
|---|--|---|---|
| Tourism Impact: Increase economic impact of visitors to eastern and southern CNP | 25% of total visitor economy by 2022 | STEAM data shows: 21.6% of total visitor economy in these areas in 2019, above baseline but declining trend | Red , ahead of baseline with declining trend |
| Completions of John Muir Awards | 2,500 awards each year with 20% from disadvantaged backgrounds | 972 people completed a John Muir Award in and around the Cairngorms in 2020 | Amber , in year COVID disruption; backgrounds of participants to be determined |
| Number of Volunteer Rangers | 8 or more trained each year | 38 volunteer rangers fully trained in first three years of planning period | Green , ahead of target |
| Cairngorms “A Park For All”: increase in visitors from lower socio-economic backgrounds | Increase visitors from C2, D, E backgrounds from 18% to 20% | Full survey data in 2020 indicates proportion from this background now at 27% | Green , ahead of target |

Rural Development

This reporting period has also seen the significant milestone achievement of the successful completion of the **Tomintoul and Glenmore Landscape Partnership**, another valuable collaboration with the National Lottery Heritage Fund (NLHF). The Project Board and Project Team, with support and understanding from NLHF, successfully navigated delays resulting from COVID19 to complete this £3.6 million multi-partner project.

The NLHF supported **Badenoch Great Places Scheme** is also now entering its final stages. The project was set up with the vision that by the end of the project, Badenoch would be renowned as a place within the Cairngorms National Park with a strong character and identity based on its distinctive cultural heritage. It is hoped to encourage people to come to the area, stay a while and learn more about this less well known part of the Cairngorms National Park. The Project will culminate in September with the Badenoch Heritage Festival 2021 and Conference which will showcase the interest, passion and excitement that has been generated over the past three years and should raise the profile of Badenoch in the years to come.

The value of our work in **supporting community organisations** in their delivery of NPPP objectives and building community capacity has been evidenced throughout 2020/21 by the lead taken by Voluntary Action Badenoch and Strathspey, Marr Area Partnership and Tomintoul and Glenlivet Development Trust in community responses to managing the COVID19 crisis and its local community impacts.

With the ongoing support of the Cairngorms NPA as its Accountable Body, the Cairngorms Local Action Group Trust now has approved 39 projects in the programme to date, with a total value of now standing at £3.991 million at 30 April 2021 and LEADER grants totalling £2.452 million within that total. Some £1.276 million of the project value supports Economic

Development and Farm Diversification projects. The Trust has now fully committed all project funding allocations, with a small number of projects still open and coming to a conclusion by the revised deadline for Programme closure of December 2021. We therefore approach a successful conclusion to the **Cairngorms LEADER Programme** by the end of the 2021/22 financial year.

In helping deliver the **Economic Strategy for the Cairngorms**, the Authority approved a Green Recovery Plan for the National Park in response to the impacts of COVID19 on the economy in June 2020. The Authority ran a Green Recovery Fund in from June 2020 with £250,000 committed, and is in the process of assessing applications for its 2021 Green Recovery Fund in May 2021 working with the Cairngorms Trust as a funding partner.

The Authority continues to work with five communities in their pursuit of **community-led housing solutions**.

The Board also adopted the **Cairngorms Local Development Plan** adopted in March 2021 following the completion of full consultation and review processes, bringing another key strategic exercise to a successful completion in the last year.

Rural Development Key Performance Indicators

| Indicator | Target | Update | Delivery Risk |
|--|--|---|--------------------------|
| Number of affordable houses delivered through planning frameworks | 200 new affordable houses by 2022 | Cairngorms NPA has granted consent for 578 affordable houses since 31 March 2018; 56 completions; 54 in construction | Green , on target |
| Number of people involved in community development activity for the first time | 80 people newly involved in community development | LEADER Programme Monitoring and Evaluation currently reporting 237 people have become involved in community projects for the first time through the programme’s interventions | Target achieved |
| Business satisfaction with Cairngorms NPA | Maintain or increase average satisfaction rating of 5.44/10 at March 2018 baseline | Cairngorms Business Partnership’s Business Barometer measure gives a satisfaction rating of 5.50 in Q1 of 2021 | Green , on target |

Communications

A Digital Communications strategy is being implemented to support the Communications & Engagement Strategy and help deliver our **digital communications and social media** objectives. At the end of 2020 we reached 328,579 website sessions, a 7% increase from 2019 and an 11% increase in overall users toward a target of achieving 400,000 website sessions and 50,000 social media followers by 2022.

As in 2020, the **Cairngorms Nature BIG Weekend** has remained a largely online-only event in 2021, taking place from 14-16 May 2021. However, in addition to the range of webinars, films, blogs and drop-in sessions, this year we gave away up to 200 Cairngorms Nature Explorer activity packs. Crammed full of nature watching ideas to do in your local area, the pack also includes recycled pencils, notepad, and a bug box to get nature discoveries under way. Our focus on **campaigns** also continued to support the work undertaken and covered elsewhere on Active Cairngorms. Our 'Make It Yours' campaign work included developing a video training resource around 10 minutes in length, designed to provide bite size information for businesses and their employees. Our aim is that, as lockdown measures are eased, the video will provide visitor-facing staff with information about the National Park and help them understand a bit more about what visitors are looking for from their visit based on visitor survey data.

The authority has launched the initial phases of its communications, engagement and consultation on the **next National Park Partnership Plan (NPPP)** following planning for this undertaken over 2020/21. We plan to carry out both an informal and formal consultation between June and December of 2021. The informal consultation will be a balance of web-based resources (promoted through social media, our website and partner communications channels) and targeted face-to-face engagement, once social distancing guidelines allow this at an appropriate scale. We are trialling use of a web-based consultation platform called Commonplace as the main hosting location.

In supporting our **Organisational Development Strategy** and underpinning internal communications, as the CNPA offices have been closed due to COVID19 a staff e-bulletin has gone out to keep everyone informed of work being carried out across the organisation. Staff virtual 'drop-in' sessions with HR and Corporate Services as well as two staff surveys have collected staff views on working from home during lockdown and proposals for lifting restrictions as staff start to work back in the office and out on site. Further drop in sessions are scheduled as we begin to plan for an office return "post-COVID".

Corporate Services

Over the last 12 months, the **Organisational Development (OD) Strategy** has focussed on supporting staff through the pandemic and ensuring staff welfare. Going forward, an OD Programme Board has now been established to coordinate the development of revised Organisational Development Strategy during 2022/23 on the basis of the staff survey in autumn 2021 in keeping with our two-yearly schedule. We will also implement our "new normal" after COVID operational arrangements, developed through staff consultation undertaken throughout the course of 2020/21.

Our **Staff Consultative Forum** continues to work effectively, albeit in a wholly virtual environment throughout the last year. This has remained a very valuable conduit for staff consultation which has complemented drop in sessions for all staff where direct conversations have been held on any questions or ideas offered by all staff.

We have agreed the basis of roll-out of shared services for **GIS strategy implementation** with Loch Lomond and The Trossachs NPA. We aim to have this delayed project launched over the first half of 2021/22.

The Authority continues to address its **IT Strategy and Cyber Security** considerations. Huge work has gone into modifying our IT infrastructure to accommodate remote working by all staff over the course of 2020/21. We have now adopted an IT and Data Management Strategy and will work to commence implementation of that over the course of the next two years.

The Authority provides **shared services** to other organisations and groups, in particular continuing to provide HR advice and support to the Scottish Land Commission and facilities support to a range of community partners in their delivery of NPPP and community development objectives.

Our internal and external audit review processes continue to confirm the effectiveness and efficiency of our management and control systems in our delivery of **effective and efficient management and control systems**. The Authority has also continued to implement our organisational climate action plan to pursue an ongoing reduction in our business impact on the climate.

Corporate Services Key Performance Indicators

| Indicator | Target | Update | Delivery Risk |
|---|--|---|---|
| Staff absence levels below established thresholds | Below 5 days per year and no more than 3 absences in a 12 month period | All targets met | Green , on target |
| Freedom of Information Requests responded to within statutory timeframe | Responses to all FOI and EIR requests within 20 working days | 37 requests received in year with one delay beyond time target as a consequence of administration error | Green , on target with single variation as result of admin error |
| Health and safety management | Zero RIDDOR reportable incidents; maximum 1 minor injury and 3 near miss reports | All targets met in year despite increase in scale of operations to include rangers | Green , on target |
| Strong internal control systems | No more than 2 top priority audit recommendations in a year | Target met: 0 top priority recommendations in 2020/21 | Green , on target |

| | | | |
|---|---|---|--------------------------|
| Achieve financial break even in maximising use of financial resources | Final outturn within +1% to -2% of total income | Outturn submitted for audit gives underspend of 0.7% of total income | Green , on target |
| Reduction in carbon emissions generated from business operations | 3% annual reduction in emissions | Estimated emissions 2020/21 of 34.1 tonnes, a reduction of 60.8% from prior year: impacted significantly by COVID19 reduction in operations | Green , on target |

A full update on the Authority's key performance indicators as reported to our Board in June 2021 is available at:

[210611CNPA Bd Paper 2 Annex 2 CPU Update KPIs VI.0.pdf \(cairngorms.co.uk\)](#)

Sustainability and climate change

The Park Authority has voluntarily participated in the Scottish Government's revised climate change modelling and measuring exercise since 2015/16. We continue to revise and enhance our internal monitoring methodology and participate in the national model established by Scottish Government for reporting on carbon emissions generated through our business activities. Due to our continued effort to reduce our carbon footprint we have reduced emissions in our final report for 2019/20 to 84.8 estimated tonnes of CO₂ (tCO₂e): a reduction of 65.2 tCO₂e from our baseline year or 43.5%. As noted above, preliminary figures for the end of 2020/21 highlight further significant reductions in business generated emissions over the year. However, we note that this has been significantly impacted by the interruption of business activity as a consequence of COVID while our monitoring systems do not pick up increased household emissions of our staff during home working.

Sustainability and climate change remain key underlying themes within our Corporate Plan and also within the National Park Partnership Plan, underpinning the strategic work of the Park Authority and all its partners in the National Park. Our emissions reductions targets predate the Authority's 'Net Zero With Nature Strategy' and will be updated as we go through our next forward corporate planning process to revise our targets to be more in keeping with our updated policy objectives.

Future activities: 2021/22 Operational Year

Many of our activities for 2021/22 build on existing work from previous plans and therefore continues the excellent work already started. This is to be expected as we move into the final year of a four year Corporate Plan period.

With the 2020/21 operational year considerably impacted by the COVID19 pandemic, and those impacts continuing into the start of 2021/22, we continue to plan and deliver against our strategic priorities while also planning to support the community and economic recovery of the Cairngorms. We continue to deliver against the Cairngorms NPA's Green Recovery Plan approved by the Board in June 2020. We are also considering the future operational mode of the Authority, recognising that many changes made in our business

processes while out of necessity as we adapted to our business continuity processes are valued by staff and stakeholders and merit consideration of more permanent adaptations to our systems.

The period ahead also represents a step change in the scale of operations for the Cairngorms NPA and in our approaches to developing the organisation to ensure it remains appropriate in structure and operational principles for our future roles.

We will address a wider national policy environment which considers economic recovery and recovery from COVID impacts; addressing climate change; addressing nature conservation and stemming biodiversity loss; and considering staff wellbeing and the consideration of altered working conditions highlighted within government public sector pay policy.

Our key organisational priorities over the course of 2021/22 include the following highlights:

- Our implementation of a permanent employed Ranger Service together with seasonal and volunteer rangers establishes a significant, entirely new service area within the organisation.
- The Cairngorms NPA will continue to deliver our Economic Action Plan, within the umbrella of our Green Recovery Strategy, as we work to address the community and economic impacts of COVID restrictions while combining this work with the ongoing priority of addressing climate change and seeking nature based solutions to environmental and economic recovery.
- Our Cairngorms Peatland Restoration Programme has now received significant, multi-year funding from Scottish Government and the operational scale of that activity must also increase to deliver the target outcomes.
- The Cairngorms Capercaillie Project has moved from a two year development phase into its Delivery Phase, increasing the scale of the project investment and breadth of stakeholder work.
- The Cairngorms NPA's significant achievement in securing the full Heritage Horizons bid will result in an initial implementation phase over the second and third quarter of 2021/22 as we establish governance arrangements, undertake initial recruitment and work to appoint key contractors. This work will lay a sound foundation on which to undertake the two year 'Development Phase' of the project, and we expect a significant programme of work to be well underway by the end of this coming year on which we will be reporting in our 2021/22 Annual Report and Accounts.
- We have designed and consulted on a revised management structure over the second half of 2020/21 to better oversee and coordinate this step change increase in our range and scale of activities and deliver our agreed outcomes.
- We have designed and agreed our "New Normal" programme to set out how our organisational processes and staff group will work following our full exit from COVID related business continuity planning mode. The Authority will work to further develop and implement this programme of work throughout 2021/22.
- Complementing and supporting our New Normal programme, we have agreed an 'IT and Data Management Strategy' which sets out the Authority's vision for the future development of our Information Technology infrastructure and our data management practices to support more robust working over more permanently dispersed staff and board operations while further building reliability, robustness and security.
- Following the elections to the Scottish Parliament in May 2021 and the formation of Scottish Government following that election, the Authority will work to establish our appropriate organisational contribution to delivery of any new government and Ministerial priorities.

- The consultation and development of the next National Park Partnership Plan (NPPP) spanning 2022 to 2027 represents a key priority for the Cairngorms NPA over the course of the year. As the overall strategic direction of this NPPP emerges from our consultative and stakeholder relationship processes, we will also begin to work on our next organisational corporate plan which will set out the Cairngorms NPA's contribution to delivery of the NPPP outcomes. This strategic development work dovetails with our analysis of national priority established by government.
- While continuing to deliver our existing Organisational Development strategy, the Authority will have hold its next independent organisation wide staff survey in autumn 2021 which we put in place every two years. As in prior cycles, the results of this staff survey will drive any required refresh of our Organisational Development Strategy and our Human Resources policy development.
- The Authority will roll out work undertaken over the second half of the last year on governance arrangements and improvements to our governance processes, including new Board Committee arrangements and the implantation of guidance developed to help clarify our decision making processes.
- We will support the Cairngorms LEADER Local Action Group and our range of valued community partners as we seek to establish new ways to continue to support essential investment through communities in community led local development and in infrastructure and skills development in an era after the UK has left Europe and we lose access to structural, LEADER and other EU funds.

In addition to the above corporate, organisation-wide priorities, the Authority will also seek to address the following specific issues during 2021/22:

- Maintain our focus on leveraging in significant inward investment to the Cairngorms, developing funding bids focused on supporting delivery of the National Park Partnership Plan priorities;
- Continue our focus on realising a zero emissions economy in the Cairngorms National Park through investment in nature and the green economy;
- Continuing support for the Cairngorms Nature partnership and their programme delivery, including project and communications support;
- Implement the Cairngorms Local Development Plan agreed by our Board at the end of 2020/21;
- Supporting the development of Active Cairngorms and Active Aviemore, while working to maintain the evolution of volunteering, including a focus on Volunteer Rangers and Ranger cover across the Cairngorms, with particular reference to the likely heightened requirements to manage visitor access and activities in the outdoors as Scotland moves out of Covid-19 restrictions;
- Continue our work to develop and seek funding supporting implementation and improvement of Long Distance Routes within the Cairngorms National Park, with a particular focus in the Deeside Way in Aberdeenshire;

The main specific internal priorities for the coming year are as follows:

- Continued focus on our Corporate Plan aspiration to be the Best Small Public Body in Scotland following on from our various successes with accreditation and recognition of our work over the first 3 years of our Corporate Plan.
- Build on work commenced through the Board's Audit and Risk Committee in 2019 in developing our approach to commercial investment within the Cairngorms and the wider risk management of this aspect of activity.

- Developing our overall approach to risk management and establishing the Authority’s “risk appetite” across each of our various areas of management and responsibility.
- Supporting the Cairngorms Trust in achieving its charitable objectives and developing a visitor giving project for Cairngorms National Park, while continuing to provide wider support to the Trustees in their potential interactions over 2021/22 with Scottish Government around the future for Community Led Local Development investment;
- Providing financial stewardship and governance support for the various externally funded programmes within the Cairngorms National Park for which the Authority acts as the “Accountable Body” and building a clear assurance structure for this activity which recognises the contribution to assurance and control systems of our Board, its Committees, our Executive and Senior Management Teams and our staff group.
- Providing and participating in shared services and wider collaborative activity in order to provide best value in public services, including the UK National Parks Communications Partnership, providing HR service support to the Scottish Land Commission, and working across a range of shared service activities with our colleagues in Loch Lomond and the Trossachs National Park Authority.
- Focusing communication activities on the agreed campaigns established in the communications strategy.
- Building on Planning Service Improvement actions and delivering best value planning services.

The Authority’s Board approved our budget and operational plan for 2021/22 at their virtual meeting on 12 March 2021. While at the same time recognising that the operational plans and resource deployment will have to be frequently revisited and adapted as we continue to respond throughout the year to the COVID19 crises, the budget and operational plan provides a strong foundation to continue to deliver against our agreed corporate objectives and the wider priorities of the Cairngorms National Park Partnership Plan as approved by Scottish Ministers. The budget and operation plan for 2020/21 can be accessed at: https://cairngorms.co.uk/resource/docs/boardpapers/12032021/210312_CNPA Bd%20Paper%202122%20Budget%20Paper.pdf

Future activities: 2021/22 Performance Indicators

We will continue to seek to deliver against our agreed 2018/2022 Corporate Plan outcomes and associated Key Performance Indicators (KPIs) over the year ahead. Taken together, these outcomes and KPIs form our corporate performance framework and are supported by our strategic risk management processes. These performance management systems have been assessed as an appropriate performance base against which to assess our performance over 2021/22. Summaries of our previous year performance against this corporate performance framework have been provided in the previous sections of this document, along with links to our full performance reports to the Cairngorms NPA board.

Grant Moir

Chief Executive and Accountable Officer

10 September, 2021

2 ACCOUNTABILITY REPORT

2.1 Directors' Report

The Directors' Report sets out the key aspects of the internal organisational change and development within the Park Authority during the year to 31 March 2021.

The Senior Management Team and Board

The Board and Management Team are listed on page 2 to the accounts.

Board member profiles can be found at <http://cairngorms.co.uk/authority/board/> where a link to members' Register of Interests may also be found.

The Chief Executive, who is also the Accountable Officer, is Grant Moir. The names of the Directors, who all served throughout the year, are listed on page 2. We consulted on a change in management structure to ready the Authority for anticipated future changes in priority and challenge as we adapt to focus on leading a Green Recovery from COVID in the Cairngorms and address and implement positive action on climate change. All serving Directors remain at Director level with some changes in priority focus. We also recognised the Director of Corporate services as Deputy Chief Executive Officer in the job title of the role, as the Director had effectively fulfilled and was contracted to undertake this role for some years.

Board members who served throughout the year are also listed on page 2 with profiles of the current Board members on the Park Authority's website. Fees paid to Board members are noted on page 42 together with the total amount of reimbursed expenses paid in the year which are not subject to audit. No pension contributions are made for any Board member.

Board Development and Governance

The Park Authority continues to recognise the importance of training and development to ensure that all staff and Board members have the skills required to deliver their role in the context of the organisation's enabling and partnership ethos. Recognising the large numbers of recent changes in Board membership, the Board complemented the full day training course on governance and "On Board" training regarding requirements around compliance with our Code of Conduct in 2019/20 with a full Board Effectiveness Self-Assessment and further workshops considering governance and potential governance improvements over the course of 2020/21. Annual conversations on board development are now embedded within the Board's self-assessment processes, and a reasonable training and development budget has been retained to support delivery of identified training requirements.

Staff Development and Management

The Authority implemented a revised approach to staff development and performance management in 2019/20, moving from a process based on appraisal meetings twice each year to much more regular, two to three weekly performance development conversations (PDCs). Conversations on staff development and training requirements are held regularly as part of the PDCs and an adequate training and development budget, able to date to cover all agreed training and development requirements, has been retained to support delivery of identified training requirements.

The Park Authority maintains oversight of its management of sickness absence through regular review of performance at Board and Management team level. Sickness absence is included as a key performance indicator in the Park Authority's corporate performance framework. In 2020/21 the average number of days lost through sickness absence was 2.6 days per person (2020: 8.3 days). (In common with many organisations, the Park Authority implemented special leave arrangements to support staff dealing in various ways with the COVID19 emergency. Absences as a result of Covid-19 are excluded from these sickness absence figures.)

Sustainability reporting and environmental matters

A key purpose of the Park Authority is to promote partnership working and give leadership to all the bodies and agencies involved in the sustainable development of the National Park. Through coordinating development and collective agreement of the Cairngorms National Park Partnership Plan, the Park Authority aims to ensure the collective and co-ordinated delivery of the four aims of the National Park. Thus the Park Authority leads others in ensuring that we are all living in, or working and caring for, the Cairngorms National Park in such a way that it remains, and wherever possible is enhanced, to be enjoyed by future generations. Sustainability and environmental considerations are therefore at the heart of everything this organisation does.

The Authority initiated the planning process of our becoming a net zero emission organisation by 2045 and achieving the even more challenging objective of realising a 75% reduction in our emissions by 2030 in 2019, through our Board's consideration of the "Net Zero with Nature" paper in December 2019. The Authority followed this up by coordinating the Cairngorms Net Zero with Nature conference in Aviemore in early March 2020, with over 150 delegates considering how the Cairngorms National Park and the Authority can lead the way in developing a more sustainable rural economy.

The review of our performance during 2020/21 previously presented in this document highlights that the Authority continues to outstrip our current emissions reductions targets, with latest business emissions estimated at 34.1 tonnes: a reduction of 60.8% from prior year. We recognise this result is impacted significantly by COVID19 reduction in operations. Nevertheless, our ongoing annual trend strongly evidences the Authority's commitment to driving down its own business emissions while establishing a leadership direction for others within the Cairngorms National Park.

Illustrations of our wider priority to deliver sustainability are presented throughout these accounts.

Social, community and human rights issues

Our work on sustainability and the environment is also central to our activities around social and community development. Conserving and enhancing the special qualities of the Cairngorms National Park is essential if the Park is to build and maintain a diverse and vibrant economy.

The Park Authority's work in this area spans support for sustainable business development within the National Park, to promoting development of affordable housing, to establishing partnerships with individual communities in developing and delivering those communities' action plans, and more widely to engage with community planning partnerships.

Our “Make It Yours” campaigns seek to engage people and communities in the work required to protect and enhance the special qualities of the National Park, seeking to make residents and businesses own their role in and for the National Park.

Our various community development activities, support for community action planning and community led local development through LEADER all seek to engage communities in identifying both needs and solutions to ensure their long term sustainability.

Diversity

The Park Authority continues to embed its approach to ensuring equality. The Authority’s Equality Mainstreaming and Outcomes Report 2021 to 2024 draws all of our work in embedding equalities within the operation of the organisation and promoting the requirement to act on equalities issues with external partners into a single document. Our progress report on work undertaken and impacts of this work was published in 2021 and is available at:

<https://cairngorms.co.uk/working-together/authority/about/corporate-plans/equality/>

This document combines our 2021 Equalities Mainstreaming report, our 2017 – 2020 Equalities Outcomes update and our 2021 to 2024 Equalities Outcomes. Key highlights of that document include:

- Our Board - our strategic leadership group - has achieved the “50:50 by 2020” gender equality target. The CNPA Board comprises 19 members. The current gender breakdown is 10 female members and 9 male members. The full board has a male convenor, aged in the 25 – 30 age group, and a female vice-convenor.
- We have refreshed and reinvigorated our approach to seeking expert advice on our work embedding equalities, and the first meeting of the new Equalities Advisory Panel (EAP) took place in October 2020
- Continued successful delivery of our Youth Employment Strategy.
- We continue to proactively address organisational and HR policy to provide the environment most conducive to a workplace for all. The Cairngorms NPA was identified as one of “Scotland’s Top 10 Flexible Employers” at the Flexibility Works Employer Awards.
- CNPA subscribes to the ‘Disability Confident’ scheme. Job applications from any candidate who indicates that they have a disability will be automatically short-listed if they demonstrate that they meet all the essential short-listing criteria.
- Our gender pay gap continues to decline for the fifth year in a row evidencing the positive work in this area: in February 2021 it was 17.44% compared with 21.47% in 2017.

Moving forward, we recognise there is much work still to do in this aspect of our ambition to establish a Park for All and an organisation which is in keeping with that.

- The CNPA Board could be more diverse, representing a broader range of protected characteristics and we have established a set of actions to help achieve this along with others we are dependent on in nominating and appointing our Board Members.
- Our workforce will become more diverse. We will have more women in senior positions in the organisation, and will have an increased number of minority staff working for us (specifically with relation to sexual orientation, disability and ethnicity).
- More equality groups participate in CNPA led consultations and stakeholder forums/groups to influence decisions made in relation to the management of the

Cairngorms National Park”. A programme of user testing and access audit activity for website use has been commissioned for 2021.

- We will continue with our focus of driving down any remaining areas of gender pay gap.

The Park Authority’s on-going work on equalities and creating ‘A Park for All’ is overseen by an internal working group comprising staff drawn from across the organisation and is chaired by a senior manager.

Information and data security

The Authority has established an updated IT and Data Management Strategy which establishes the vision and direction for our investment and work in this area over the coming years. We will work towards “*a high resilience, cloud based IT infrastructure that will support effective and efficient remote working. We will seek to maximise “technology as a service” offerings that includes moving elements of our service to managed service and / or cloud provision where is it supported as best value service provision. This will reduce in-house technical skills needs and reduce over-reliance on individual staff presence and knowledge base, transferring this risk to third parties and consequently mitigating the risk of over-dependency on specialist staff.*”

The Park Authority has had no instances of loss of data or personal information over the course of the year. The Governance Statement included in this Annual Statement and Accounts sets out more information on the Park Authority’s range of internal controls and review mechanism to ensure data security amongst other things.

In 2020/21 we received a total of 37 information requests (2019/20: 33) with details of the split by type of request published within our corporate performance KPIs already referenced. We have implemented a number of improvements to our information request handling, following consideration of internal audit recommendations, as we seek to continually improve our systems and services.

The Authority also has a fully developed suite of wider policies designed to ensure that feedback on our service standards, activities and performance can be given. This includes our complaints, grievance and whistleblowing policies. We have a mature approach to internal and external feedback, ensuring appropriate investigations of feedback take place and seeking to draw improvement points out of investigations where appropriate, irrespective of whether the initiating point of complaint or negative feedback is upheld. Our seeking improvement in this way supports our organisational aim of being the best small public body in Scotland, and also in securing Best Value in accordance with national objectives.

Our information access and complaints policies are published on the Authority’s website.

2.2 Statement of National Park Authority’s Responsibilities

Under section 25(1) of the National Parks (Scotland) Act 2000, the Cairngorms National Park Authority is required to keep proper accounts and accounting records, prepare an account of its expenditure and receipts for each financial year in accordance with directions issued by the Scottish Ministers, and send the account to the Scottish Ministers by such time as they may direct.

The financial statements are to be prepared on the accruals basis and must give a true and fair view of its expenditure and cash flow for the financial year, and of the state of affairs as at the end of the financial year.

Auditors

The accounts of the Park Authority are audited by Grant Thornton UK LLP who are appointed by the Auditor General for Scotland in accordance with paragraph 25(2) of the National Parks (Scotland) Act 2000.

The costs relating to the statutory audit work for the financial year were £11,570 (2020: £11,320). No other fees for non-audit related services were paid in either year.

The Independent Auditor's report to the Park Authority, the Auditor General for Scotland and the Scottish Government is on pages 50 to 53.

2.3 Statement of Board's Responsibilities

The Board has a corporate responsibility for ensuring that the Park Authority fulfils the aims and objectives set by the Scottish Ministers and for promoting the economic, efficient and effective use of staff and other resources in accordance with the principles of Best Value.

The Convener of the Board

The Convener is responsible to Scottish Ministers, and is charged with ensuring that the Park Authority's policies and actions support the wider strategic policies of the Scottish Ministers, and that the Park Authority's affairs are conducted with probity.

The Convener has particular leadership responsibilities on:

- formulating the Board's strategy;
- ensuring that the Board, in making decisions, takes proper account of guidance provided by the Scottish Ministers/Department;
- promoting the efficient and effective use of staff and other resources;
- encouraging high standard of propriety;
- representing the view of the Board to the general public.

The Convener also ensures that all Board Members, when taking up office, are fully briefed on the terms of their duties, rights and responsibilities, and receive appropriate training. He advises the Scottish Ministers when Board vacancies arise, with a view to ensuring an appropriate spread of balance of professional and financial expertise, and also assesses the performance of Board Members annually.

2.4 Statement of the Accountable Officer's Responsibilities

As Chief Executive of the Park Authority I am designated the Accountable Officer and am personally responsible for safeguarding the public funds for which I have sole charge, for ensuring the propriety and regularity in the handling of those funds, and for the day-to-day operations and management of the Park Authority. I am expected to act in accordance with the Management Statement/Financial Memorandum for the Park Authority and within the

terms of the relevant guidance in the Scottish Public Finance Manual (SPFM) and other instructions and guidance issued by Scottish Ministers, in particular the Memorandum to Accountable Officers for Other Public Bodies, and in particular,

- observe the financial statements direction issued by Scottish Ministers, including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether the applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Park Authority will continue in operation.

Disclosure of Information to Auditors by the Accountable Officer

So far as I am aware, there is no relevant audit information of which the Park Authority's auditors are unaware and I have taken all reasonable steps to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

Accountable Officer's statement on the Annual Report and Accounts

As Accountable Officer I believe that the annual report and accounts as a whole are fair, balanced and understandable.

2.5 Governance Statement

Scope of responsibility

As Accountable Officer, I am responsible for maintaining sound systems of internal control which support the achievement of Cairngorms National Park Authority's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible. These duties are in accordance with the Management Statement agreed between the Park Authority and Scottish Government, and also responsibilities assigned to me in the Scottish Public Finance Manual (SPFM).

The SPFM, issued by the Scottish Ministers, provides guidance to the Scottish Government and other relevant bodies on the proper handling of public funds, and sets out the relevant statutory, parliamentary and administrative requirements, emphasising the need for economy, efficiency and effectiveness, and promotes good practice and high standards of propriety. I am therefore responsible as Accountable Officer to ensure the Park Authority's internal control systems comply with the requirements of the SPFM.

The Management Statement sets out the role of the Park Authority's Board in providing leadership and governance. The governance responsibilities of the Board are supported by Standing Orders last revised and adopted in 2019 and a Code of Conduct revised and adopted in 2014. A group of professional, senior staff advisors and appropriate Board training and development processes support the good governance arrangements set out in the Standing Orders and Code of Conduct. As a public body, the Park Authority operates in an open and accountable manner, and is committed to accessibility, openness and accountability and supports the highest standards in corporate governance.

Other than the documents referred to above and the resource allocation letters issued to me over the course of the year, there are no other written authorities provided to me in 2020/21.

The operation of the Board and sub-committees

The Board comprises 19 members: 7 nominated by five Councils with boundaries within the National Park and appointed by Scottish Ministers; 7 appointed by Scottish Ministers through a public appointment process; and 5 directly elected within electoral wards established within the Cairngorms National Park. The Board therefore reflects a blend of different experience, backgrounds and interests. The full Board meets regularly to consider strategy, and performance against the current Corporate Plan. Meetings are scheduled quarterly, with additional meetings convened as required. To enable the Board to discharge its duties, all members receive appropriate and timely information in advance of meetings with all agendas and papers also placed in the public domain. Meetings are open to the public save the occasional meeting held in private for various reasons of business and commercial confidentiality.

To ensure that the Board develops an understanding of the current and emerging issues, members also participate in informal discussion sessions to consider emerging policy issues and proposals, and a preferred strategic direction identified prior to fuller, open consideration at formal meetings.

The Board has established sub-committees: a Planning Committee (which deals with all aspects of the Park Authority's statutory planning responsibilities), together with Committees covering Finance and Delivery, Staffing and Recruitment, and Audit and Risk. All committees have delegated duties and responsibilities set out in terms of reference agreed by the full Board to oversee and scrutinise the Park Authority's deployment and management of resources. The record of attendance at Board meetings can be found elsewhere in the Annual Report and Accounts.

The Board has agreed to alter its Committee structure in 2021/22, to put in place Committees covering Planning, Governance, Performance, Resources and Audit and Risk. The revised structure is planned to augment the governance of the Authority and enhance the Board's assurance role as the Authority's scale of activities and support of significant programmes continues to increase. The terms of Reference for these Committees was agreed by the Board in the early part of 2021/22 prior to the revised structures being implemented from August 2021.

The Audit and Risk Committee

The Audit and Risk Committee's role is to provide effective governance over all aspects of the Park Authority's internal management control systems and the annual financial accounts and audit. It also takes a lead in strategic risk management ensuring that risks impacting on strategic objectives are identified and mitigated, and that risk management is embedded throughout the Park Authority's operations. It is supported by the Park Authority's internal audit function, Azets, and external auditors, Grant Thornton LLP, who both have independent access to the Committee and to its Convener. The Committee is tasked with monitoring the operation of the internal control function and bringing any material matters to the attention of the full Board. Detailed reports of all audit reviews are made available to both management and the Committee.

The Committee meets at least quarterly and reports to the Board on the adequacy and effectiveness of the Park Authority's internal controls, and more widely on its work in the preceding year.

Board Effectiveness and Continuous Improvement

The Board has continued a process of self-evaluation of effectiveness and governance over the course of 2020/21 which were originally initiated under the "Leadership" element of the first Organisational Development Strategy in 2015/16. The Board completed a revision of its skills matrix in February 2020 and, through this process, established a priority for continuing professional development of members over the coming years. The Board has completed a self-assessment of Board effectiveness in December 2020 and considered the results of this in February 2021. The Convener and Deputy Convener have undertaken a complementary series of "Board member development conversations" with all board members in 2020/21. A key outcome of this process has been the identification of greater clarity around Non-executive and Executive decision making responsibilities. A 'Board Responsibility Framework' was developed in response to this need and approved for adoption by the Board in May 2021.

This focus on Board effectiveness and development of governance systems has been complemented by an internal audit of governance systems completed in the year, the improvement actions from which will be covered in part by the work mentioned here and through wider action over the course of the year ahead. Other elements of Board governance and effectiveness are reviewed and supported by senior officers as required.

The Board has agreed a set of Corporate Performance Indicators so it may improve its oversight of delivery against key strategic objectives and the Park Authority's Corporate Plan. A detailed performance report is submitted to the Board twice yearly on delivery against key performance indicators, considered at each June and December meeting alongside a review of strategic risk management. These monitoring and control mechanisms support Board scrutiny over delivery of the Corporate Plan and National Park Partnership Plan priorities.

Periodic reports from independent internal and external auditors form a key and essential element in informing my review as Accountable Officer of the effectiveness of the systems of internal control within the Park Authority. The Board's Audit and Risk Committee also plays a vital role in this regard, through its consideration of audit recommendations arising from reviews of internal control systems and its scrutiny of proposed management action to address any improvements required. The Audit and Risk Committee also considers both a three year plan for internal audit coverage and annually agrees an internal audit plan flowing from that three year plan.

Shared services delivery

The Park Authority plays an important role in providing support over a range of activities to local communities and organisation to help deliver the National Park Partnership Plan's priorities. In the last year we have supported Cairngorms LEADER Programme Local Action Group, the Tomintoul and Glenlivet Landscape Partnership, the Great Place Badenoch Project as well as the Capercaillie Framework as significant, community and partner led programmes of activity. Our management and internal control structures ensure that support for these community based delivery entities are separated from the core activities of

the Authority, while ensuring that our support helps them achieve “best practice” in their operations.

The Authority also undertakes a range of shared service arrangements with other public body partners. Over the course of the year we have provided human resource advice and organisational development support to the Scottish Land Commission, while collaborating on a range of shared service delivery with Loch Lomond and the Trossachs National Park Authority (LLTNPA). We receive key support from LLTNPA on IT infrastructure maintenance, development and shared licence agreements for planning systems and data back-up and security arrangements. In addition to these more formal shared services with LLTNPA, both National Park Authorities continue to collaborate closely on areas of shared policy interest.

Internal audit

The internal audit function is an integral element of scrutiny of the Park Authority’s internal control systems. Azets was appointed following an open procurement process as the Park Authority’s internal auditors in 2020 and have undertaken a comprehensive assessment of key internal control systems since their appointment in determining annual and three-year internal audit plans. During the year to 31 March 2021, Azets has reported to the Audit and Risk Committee on the following reviews:

| | |
|---------------------------------|--|
| Governance & risk | Corporate Governance systems Follow up review of prior recommendations |
| Internal control systems | LEADER administration Data Management COVID19 Recovery and Business Continuity |

All recommendations made by Azets are considered, given management responses which are considered by the Audit and Risk Committee and implemented as appropriate. There were no instances of internal audit recommendations not being accepted by management in the year.

External audit

External auditors are appointed for us by the Auditor General for Scotland through Audit Scotland. Audit Scotland appointed Grant Thornton LLP to the role for a five year period commencing in 2016/17 with that appointment extended by the Auditor General for Scotland for a further year, covering the 2021/22 external audit, to recognise the restrictions caused by the COVID19 pandemic on an effective reappointment process. We have formed an effective and efficient audit relationship with Grant Thornton, who review key systems so they can form a view on the effectiveness of control arrangements which in turn supports their audit opinion on the financial statements.

The fees paid to Audit Scotland for the independent statutory audit for 2020/21 is £11,590. No fees were paid for non-audit work.

Best value

The Audit and Risk Committee continues to monitor the Authority’s adherence to Scottish Government Best Value guidelines and our approach to continuous improvement. We

launched phase three of our Organisational Development Strategy in the year to continue to improve our work processes, organisational environment, and delivery of services.

Risk management

We have a risk management strategy in accordance with guidance issued by Scottish Ministers to identify actual and potential threats which may prevent us from delivering our statutory purpose and also to identify appropriate mitigation actions.

The Board recognises the importance of risk management and continues to monitor the Park Authority's Strategic Risk Register. The Strategic Risk Register records risks, action taken to mitigate the identified risks and senior management's responsibility for leading on each risk and its mitigation. The Strategic Risk Register is reviewed by Management Team four times each year and updated by the full Board twice and by the Audit and Risk Committee twice a year.

The Audit and Risk Committee, with the Senior Management Team, leads on embedding risk management processes throughout the Park Authority. Both groups consider the management of strategic risk in line with the Risk Strategy to ensure that the required actions are appropriately reflected and incorporated in operational delivery plans. A revised Risk Management Strategy was adopted by the Audit and Risk Committee in 2016, and subsequently reviewed by the Board in 2019, with the Committee also receiving an internal audit report on the effectiveness of operations of risk management within the organisation in that year.

Data security

Procedures are in place to ensure that information is being managed in accordance with legislation and that data is held accurately and securely. The Park Authority has no reported nor recorded instances of data loss in the year to 31 March 2021.

The second iteration of Cyber Essentials + accreditation was achieved in 2019/20. We continue to review our digital practices and infrastructure to ensure they remain fit for purpose and that all reasonable steps are taken to minimise the risk of data loss or compromise of systems due to Cyber Attacks. Work is currently underway on a Digital Strategy, to be adopted in 2021/22.

Response to COVID19 Pandemic

The Authority implemented its Business Continuity Plan (BCP) processes on 17 March 2020 in response to the COVID19 pandemic and continues to apply that BCP process. The BCP has prioritised the maintenance and evolution of systems to support dispersed working while maintaining maximum focus on delivery of the Authority's strategic outcomes. Our BCP has also placed an emphasis on staff welfare and ensuring our people remain as physically and mentally healthy as possible throughout this period of BCP operations.

The Board has adapted resource deployment over the course of the year as it leads the Authority's response to the COVID19 pandemic and has approved a Green Recovery Plan for the Cairngorms to give leadership and vision to the Authority's work with partners in responding to the impacts of the pandemic.

The Board also approved BCP measures to support effective governance throughout the pandemic. This included adapting Board Standing Orders to remote working and meetings held by video conference and telephone and ensuring appropriate Board and Senior Management succession plans are in place.

Conclusion

As Accountable Officer I am responsible for reviewing the effectiveness of the system of internal control. In order to do this my review is informed by:

- a) the executive managers within the organisation who have responsibility for the development and maintenance of the internal control framework and who provide assurance on systems within regular Senior Management Team meetings;
- b) internal monitoring of control systems by staff against SPFM requirements;
- c) the work of the internal auditors, who submit regular reports to the Audit and Risk Committee which include the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of our systems of internal control together with recommendations for improvement;
- d) comments made by the external auditors in their management letter and other reports.

I am supported by a Director of Corporate Services, who in turn is supported by the Corporate Services staff group, and provides senior management leadership on the financial management, internal controls and governance arrangements. I take assurance from the effectiveness of internal control systems, financial management and planning processes, and risk management from the assurances received from the Director of Corporate Services.

I have also been advised on the effectiveness of the system of internal control by the Board and its Audit and Risk Committee. Appropriate action is taken against any weaknesses identified and to ensure continuous improvement of our systems.

The internal auditor's annual report for 2020/21 states that, "in our opinion CNPA has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, internal controls, effective and efficient achievement of objectives and the management of key risks, subject to the implementation of specific high risk actions raised in relation to corporate governance processes and data management control improvements throughout 2020/21". Action is underway on implementing improvements required to mitigate these high risk areas identified by internal audit and as such I also take assurance on the adequacy and effectiveness of the Authority's internal controls from the independent internal auditor's report for the year.

The Governance Report was authorised for issue by the Accountable Officer on 10 September, 2021.

Grant Moir

Chief Executive and Accountable Officer
10 September, 2021

2.6 Remuneration and staff report

The Remuneration and Staff Report is subject to audit except for the sections on pay policies, staffing and recruitment, and Board members' expenses which are reviewed by the auditor for consistency with the audited financial statements.

Pay policy

The fees and expenses paid to Board members comply with guidance issued by Scottish Ministers, the Public Sector Pay Policy for Senior Appointments, through the Authority's interaction with appropriate Scottish Government officials within the remit of these Public Sector Pay Policies.

Staff salary levels, including the Chief Executive, are reviewed by the Staffing and Recruitment Committee and the overall pay remit established by the Authority is subject to agreement with its sponsoring department within Scottish Government, the Environment and Forestry Directorate, Natural Resources Division, in consultation with the Scottish Government Finance Pay Policy Team. Approval is normally annually, unless a multi-year arrangement has been agreed. The remit for 2020/21 was on an annual basis, and is within the terms and conditions set out in the Scottish Government Public Sector Pay Policy.

Members of staff covered by this report hold appointments which are either open-ended or fixed term. Early termination, other than for misconduct would result in the individual receiving compensation. As fixed term contracts normally end automatically when the agreed end date is reached, unless the contract is for 4 years or more which may lead to the employee being treated as permanent, provision is made for the expected redundancy costs incurred on an individual basis.

Performance and human capital management

Performance of all staff members is monitored and reviewed through the staff appraisal arrangements. A new performance management approach was adopted on the 25 March 2020 which is based on regular, proactive, open and constructive dialogue between a staff member and their line-manager focusing on objective setting and performance, training and development requirements, and general wellbeing with a particular focus on mental health.

Performance management will be achieved by regular and frequent Performance Development Conversations (PDCs) throughout the year between all staff and their line manager, giving "real-time" and two-way feedback. The feedback is to help staff act/work more constructively and support their growth and are expected to be an appropriate mix of "recognition" (acknowledging strengths and skill which have contributed to success) or "guidance" (given with the intention of increasing effectiveness or success in the future). The PDCs will be frequent, "in the moment" and in person, strengthening the working relationship between staff and their line-managers, and reinforcing the meaningfulness of the feedback given through immediacy of connection to performance to which feedback is linked.

The new policy has been designed to be a key tool in achieving optimal operational effectiveness throughout the Park Authority as we acknowledged that a high level of organisational performance is directly dependent on the skills, talent, engagement and well-being our staff.

CNPA has an Internal Recruitment policy whereby all posts below director level are advertised internally in the first instance. In 2020/21, 7 staff were appointed to vacated posts via this policy. This is a key policy to support staff development within the organisation.

Staff retention is relatively stable, and is reported to the Staffing and Recruitment Committee annually. The November 2020 report highlighted staff turnover as being 18%, but this figure reduces to 6% if it excludes the seasonal rangers and short term posts.

The CNPA has a Youth Employment Strategy, through which the following appointments were supported: - IT Modern Apprenticeship, Business Administration Foundation Apprenticeship, HR Intern and Gaelic Intern.

Staffing and recruitment

The Park Authority has a Staffing and Recruitment Committee, comprising 6 Board members supported by relevant senior staff, which meets throughout the year. Its membership and remit are agreed annually by the Board.

The Committee's remit includes:

- oversight and monitoring the Park Authority's human resource policies, including in particular the pay and grading, performance appraisal and the associated performance related pay systems when appropriate;
- advising the Board on annual pay awards;
- providing an interface between staff representative group(s) and the Board, and participation in arbitrating on staffing issues as set out in the Authority's procedures, and as otherwise required; and
- oversight of recruitment of senior staff (Directors and Chief Executive) including agreeing the job descriptions, adverts and salary, to take responsibility for interviewing and selecting the successful candidates and seeking the endorsement of the Board, and, in the case of the Chief Executive, of Scottish Ministers.

For the purposes of this report, persons in senior positions having authority or responsibility for directing or controlling the major activities of the Park Authority are taken to comprise the Board members, and the Chief Executive and Directors (the Management Team).

In reaching its recommendations, the Committee has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- to take account of regional/local variations in labour markets and the effects on the recruitment and retention of staff;
- funds available to the sponsoring department as set out in the Scottish Government's departmental expenditure limits;
- to take account of Scottish Government policies for improving the public services including the requirement to meet the output targets for the delivery of departmental services; and
- The Scottish Government's Public Sector Pay Guidance.

This Committee operated throughout 2020/21. The Committee structure is being adjusted to better reflect the Board's assurance requirements and the above responsibilities will be taken on by a wider Resources Committee from June 2021.

For the purposes of this report, persons in senior positions having authority or responsibility for directing or controlling the major activities of the Park Authority are taken to comprise the Board members, and the Chief Executive and Directors (the Management Team).

Staff involvement

The Park Authority has a Staff Consultative Forum (SCF) in place, through which it ensures effective two-way communications with staff and Prospect Trade Union representatives in resolving any issues arising and consulting on new initiatives. The SCF comprises a maximum of five staff representatives, one place amongst these representatives being reserved for a nominee of staff who are members of Prospect Trade Union with which the Authority has a voluntary recognition agreement. During 2020/21 key matters on which staff were consulted through the Staff Consultative Forum were:

- pay awards for the years commencing 1 April 2020 and 1 April 2021;
- internal communication and consultative mechanisms;
- implementation of the staff survey and evaluation of the results;
- review and update of a range of employment policies, around new policies, including Domestic Abuse Policy, Volunteering Policy; Lone Working Review;
- development of phase three of the Organisational Development Strategy;
- review of Business Continuity Planning around the Covid-19 Pandemic, and staff moving to a home working environment; and several staff wellbeing surveys during this time
- refreshing the process of staff consultation and terms of reference of the SCF.

To complement the standard consultative processes in place through the SCF, the Park Authority has also held a series of staff drop in sessions by video conference throughout the year, accessible by all staff to facilitate direct two way communications on any matters of concern or ideas for future organisational and established a series of subject-specific, fixed-life staff working groups to help implement the Organisational Development Strategy.

Equality and diversity

The Park Authority is an equal opportunities employer with policies against discrimination and to ensure no unfair or illegal discriminatory treatment or barriers to employment or advancement. We are committed to meeting our duties under the Equality Act 2010. The Park Authority is accredited as a Positive about Disability employer.

The equalities policies ensure that all staff should be treated equally irrespective of their sex, marital/civil partnership status, age, race, ethnic origin, sexual orientation, disability, religion or belief, work pattern, employment status, gender identity (transgender), caring responsibility or trade union membership. Employment and promotion are on merit on the basis of fair and open competition.

At the end of the financial and operational year our gender split of staff, including staff on short or fixed term employment contracts (others) is:

| | Male | | Female | |
|-------------------------------|------|------|--------|------|
| | 2021 | 2020 | 2021 | 2020 |
| Chief executive and directors | 4 | 4 | - | - |
| Staff | 26 | 18 | 37 | 36 |
| Others* | 6 | 6 | 13 | 13 |
| | 36 | 28 | 50 | 49 |

* includes rangers who joined in March 2021 (19/20: nil)

| | 2021 | 2020 |
|--------|------|------|
| Male | 42% | 39% |
| Female | 58% | 61% |

CNPA conducts an annual Equal Pay Audit. The gender pay gap in April 2021 was 17.4%. It was 17.9% in 2020; 19.25% in 2019, and 20.20% in 2018.

The CNPA recruited a new Equality Advisory Panel in 2020, with the new panel first meeting in October and monthly thereafter. The Panel comprises equalities experts and enthusiasts across the spectrum of equality characteristics and sectors. The panel is CNPA's "critical friend", and ensure equalities is at the forefront of our policy developments and activities.

Health and safety at work

The Authority has a Health and Safety Committee comprising IOSH trained staff from across the organisation, who are tasked with scrutinising H&S Policy and procedure. The committee meets quarterly, and minutes are circulated to the Staffing and Recruitment Committee for oversight and sign off

During the pandemic, this committee together with the Business Continuity Team and a Covid Working Group had oversight of all arrangements to support staff working from home, and then to support the gradual easing of restrictions last summer and office return of low numbers. The office return was risk assessed, which was consulted with staff and the Union. This is an evolving document that will be refreshed as restrictions change. These groups also had oversight of wellbeing interventions to support staff over this challenging period.

Staff union time

The disclosures relating to the Trade Union (Facility Time Publication Requirements) Regulations 2017 by public bodies is contained in Appendix II.

Remuneration and Pensions

Some elements of the following section covering information on the Cairngorms NPA remuneration and pensions arrangements are subject to audit, while other aspects are not covered by our external audit review of this Annual Report and Accounts. The audit coverage is indicated in each sub-heading.

Board members' fees and expenses (subject to audit)

The Park Authority has a non-executive Board and no member has any pension entitlement. The expenses disclosed below are not subject to audit. A register of Board member's interests can be found on the National Park's website:

<https://cairngorms.co.uk/working-together/publications/publication/357/>

| | Start of current term | End of current term | Fees £ | 2021 Expenses £ | Fees £ | 2020 Expenses £ |
|---------------------------------------|-----------------------------|---------------------------|-----------|-----------------------|-----------|-----------------------|
| Scottish Government appointees | | | | | | |
| Janet Hunter | 08 09 15 | 07 09 23 | 8,082 | - | 7,683 | 1,449 |
| Douglas McAdam | 01 11 18 | 31 10 22 | 8,082 | - | 7,845 | 2,101 |
| Anne Rae MacDonald | 01 11 18 | 31 10 22 | 7,240 | - | 7,329 | 1,133 |
| Dr F McLean | 01 11 18 | 31 10 22 | 8,082 | 26 | 7,846 | 719 |
| William Munro | 01 11 18 | 31 10 22 | 8,082 | - | 7,520 | 1,281 |
| Dr Gaener Rodger | 01 10 18 | 31 10 22 | 8,980 | - | 7,847 | 823 |
| Judith Webb | 01 02 19 | 31 01 23 | 8,082 | - | 7,629 | 4,491 |
| Local Authorities nominees | | | | | | |
| Peter Argyle | 08 09 15 | 07 09 22 | 7,858 | - | 7,738 | 1,443 |
| Carolyn Caddick | 01 10 17 | 30 09 22 | 9,878 | - | 7,629 | 1,489 |
| Pippa Hadley | 01 10 17 | 30 09 22 | 7,240 | - | 7,220 | 419 |
| John Latham | 01 10 12 | 30 09 22 | 7,970 | - | 7,792 | - |
| Xander McDade | 01 10 17 | 30 09 22 | 23,348 | - | 22,668 | 3,211 |
| Ian Maclaren | 01 10 17 | 30 09 22 | 7,857 | - | 7,738 | 1,954 |
| Derek Ross | 01 11 18 | 31 10 22 | 8,082 | 189 | 6,975 | 1,211 |
| Locally elected | | | | | | |
| Geva Blackett | 31 03 17 | 19 03 23 | 9,279 | - | 11,334 | 1,188 |
| Deirdre Falconer | 20 03 19 | 19 03 23 | 8,082 | - | 7,835 | 918 |
| John Kirk | 28 03 19 | 19 03 23 | 8,082 | - | 7,909 | - |
| Eleanor Mackintosh | 22 03 19 | 21 03 23 | 10,776 | - | 11,334 | 1,180 |
| William McKenna | 22 03 19 | 19 03 23 | 8,082 | - | 7,847 | 92 |
| | | | 173,164 | 215 | 167,718 | 25,102 |

Board members' Attendance at Meetings (not subject to audit)

| | Formal (9) | Board Business (12) | Planning (10) | Other |
|---------------------------------------|---------------|---------------------------|------------------|------------------|
| Scottish Government appointees | | | | |
| Janet Hunter | 8 | 11 | 9 | AR 6/6 |
| Douglas McAdam | 9 | 12 | 10 | - |
| Anne Rae MacDonald | 9 | 12 | 10 | FD 4/4 |
| Dr Fiona McLean | 9 | 12 | 10 | SR 6/6 |
| William Munro | 9 | 12 | 10 | FD 4/4 |
| Dr Gaener Rodger | 9 | 11 | 9 | AR 6/6 |
| Judith Webb | 9 | 12 | 10 | AR 6/6 |
| Local Authority nominees | | | | |
| Peter Argyle | 8 | 11 | 10 | AR 5/6 |
| Carolyn Caddick | 9 | 12 | 10 | SR 6/6 |
| Pippa Hadley | 9 | 12 | 9 | AR 6/6 |
| John Latham | 9 | 11 | 8 | AR 6/6 |
| Xander McDade | 9 | 12 | 10 | SR 5/6 FD 4/4 |
| Ian Maclaren | 9 | 12 | 10 | FR 4/4 |
| Derek Ross | 9 | 12 | 10 | SR 6/6 |
| Locally elected | | | | |
| Geva Blackett | 4 | 9 | 7 | SR 2/6 |
| Deirdre Falconer | 8 | 12 | 9 | - |
| John Kirk | 8 | 12 | 10 | FD 4/4 |
| Eleanor Mackintosh | 9 | 12 | 10 | FD 4/4 |
| William McKenna | 9 | 12 | 10 | SR 6/6 |

(Other committees: **FD** - Finance and Delivery; **AR** - Audit and Risk Committee; **SR** - Staffing and Recruitment)

Senior Management Team salary and pension entitlements (subject to audit)

The Constitutional Reform and Governance Act 2010 requires appointments to be made on merit and on the basis of fair and open competition. The members of the senior management team hold appointments which are open ended. Early termination, other than for misconduct, would result in the individual requiring compensation as set out in the Civil Service Compensation Scheme.

The following sections provide details of the remuneration and pension interests of the Senior Management Team of the Park Authority.

Senior Management Team remuneration (subject to audit)

Single total figure of remuneration (subject to audit)

| | Salary | | Pension benefits | | Total | |
|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2020/21 £'000 | 2019/20 £'000 | 2020/21 £'000 | 2019/20 £'000 | 2020/21 £'000 | 2019/20 £'000 |
| Grant Moir | 85-90 | 80-85 | 34 | 33 | 120-125 | 110-120 |
| David Cameron | 65-70 | 65-70 | 38 | 29 | 100-105 | 90-95 |
| Murray Ferguson | 60-65 | 60-65 | 37 | 25 | 100-105 | 85-90 |
| Dr Peter Mayhew | 55-60 | 55-60 | 23 | 27 | 80-85 | 80-85 |

No member of the management team received either a bonus payment or benefits in kind in the year (2020: £nil).

*The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.

Fair pay disclosure (subject to audit)

The Authority is required to disclose the relationship between the total remuneration of its highest paid director and the median remuneration of its staff (the mid-point of banded remuneration, using the full time equivalent remuneration). Total remuneration includes salary, non-consolidated performance-related pay, and any benefits in kind and severance payments. It does not include employer pension contributions and the cash equivalent value of pensions.

| | 2020/21 | 2019/21 |
|---|------------|------------|
| Median remuneration (a) | £33,352 | £32,337 |
| Range of staff remuneration | | |
| Banded remuneration of the highest paid director (b) | £85-90,000 | £80-85,000 |
| Ratio between the median remuneration and banded remuneration of the highest director [(b)/(a)] | 2.6 | 2.6 |

No member of staff received remuneration in excess of the highest paid director in either year.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into **alpha** sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 1 March 2022 may be entitled to different pension benefits in relation to that period (And this may affect the Cash Equivalent Transfer values shown in the report – see above). All members who switch to **alpha** have their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a deferred contribution (money purchase) pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of **classic**, **premium**, **classic plus**, **nuvos** and **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 calculated broadly as per **classic** and the benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is updated in line with Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted show pension earned in PCSPS or **alpha** – as appropriate. Where benefits are in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pensions benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pensions benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in the value of the CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pensions due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Senior Management Team pension entitlements (subject to audit)

| | Accrued pension at age 65 as at 31 03 2021 £'000 | Real increase in pension and related lump sum at pension age £'000 | CETV at 31 03 2020 £'000 | CETV at 31 03 2019 £'000 | Real increase in CETV £'000 |
|-----------------|---|---|-----------------------------|-----------------------------|--------------------------------|
| Grant Moir | 15-20 | 0-2.5 | 163 | 137 | 14 |
| David Cameron | 35-40 | 0-2.5 | 662 | 611 | 27 |
| Murray Ferguson | 25-30 + lump sum 65-70 | 0-2.5 lump sum 0-2.5 | 597 | 542 | 29 |
| Peter Mayhew | 0-5 | 0-2.5 | 78 | 54 | 18 |

Staff costs and Board Members' Fees (subject to audit)

| | Permanently employed staff and Board Members £'000 | Others £'000 | Total 2021 £'000 | Total 2020 £'000 |
|-----------------------|---|-----------------|------------------------|------------------------|
| Board members | 176 | - | 176 | 171 |
| Staff | 3,210 | 414 | 3,624 | 3,279 |
| | 3,386 | 414 | 3,800 | 3,450 |
| Board members | | | | |
| Fees | 173 | | 173 | 168 |
| Social security costs | 3 | | 3 | 3 |
| | 176 | | 176 | 171 |
| Staff | | | | |
| Salaries | 2,375 | 311 | 2,686 | 2,402 |
| Social security costs | 233 | 27 | 260 | 229 |
| Pensions | 602 | 76 | 678 | 648 |
| | 3,210 | 414 | 3,624 | 3,279 |

Number of staff with salaries above £60,000 (subject to audit)

| | 2021 | 2020 |
|-------------------|------|------|
| £80,001 - £90,000 | 1 | 1 |
| £70,001 - £80,000 | - | - |
| £60,001 - £70,000 | 2 | 2 |

Average number of persons employed (subject to audit)

The average number of whole-time equivalent persons employed during the year was:

| | Permanently employed staff | Others* | Total 2021 | Total 2020 |
|-------------------------------|----------------------------------|-----------|------------|------------|
| Senior management team | 4 | - | 4 | 4 |
| Staff (whole time equivalent) | 62 | 12 | 74 | 66 |
| | 66 | 12 | 78 | 70 |

*Other staff are those staff employed on a fixed short term contract.

During the year no staff were seconded to the Authority from other parties (2020: nil) nor were any members of the staff seconded to other parties (2020: nil).

Voluntary exit scheme

Voluntary exit payments were agreed and accounted for in the year (2019/20: £nil) in accordance with the Civil Service Compensation Scheme, a statutory scheme made under the provisions of the Superannuation Act 1972. £112,896 exit costs will be paid in 2021/22, the year of departure.

| | Number of voluntary redundancies |
|-------------------|---|
| £10,000 - £25,000 | 3 |
| £25,000 - £50,000 | 1 |
| | <hr/> 4 |

Sickness absence

The average numbers of days lost to sickness absence during the year per employee, excluding Covid-19, is 2.6 days (2019/20: 8); including Covid-19 3.2 days (2019/20: 8)

Grant Moir

Chief Executive and Accountable Officer

10 September, 2021

2.7 Parliamentary accountability disclosures

Fees and charges

During the year the Authority received 60% of planning fees for called in planning applications to the 5 local authorities within the National Park boundaries.

Losses and special payments

There were no special payments in the year to 31 March 2021, or the previous year. There were no gains or losses on the disposal of non-current assets in the year (2019/20: gain £350).

Gifts

There were no gifts made during the year (2019/20: £404)

Significant remote contingencies

In addition to contingent liabilities reported within the context of IAS 37, the Authority is not aware of any liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of a contingent liability.

The accountability report was approved by a duly authorised committee of the Board on 10 September, 2021 and signed on its behalf by

Grant Moir

Chief Executive and Accountable Officer
10 September, 2021

2.8 Independent auditor’s report to the members of the Cairngorms National Park Authority, the Auditor General for Scotland and the Scottish Parliament

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3 FINANCIAL STATEMENTS

3.1 Statement of Comprehensive Net Expenditure for the year ended 31 March 2021

| | notes | For the year to 31 March 2021 £'000 | For the year to 31 March 2020 £'000 |
|--|-------|--|--|
| Income | | | |
| Other operating income | | 1,711 | 3,469 |
| Total operating income | 5 | 1,711 | 3,469 |
| Expenditure | | | |
| Board and staff costs | 7 | (3,800) | (3,450) |
| Operational Plan expenditure | 3 | (2,601) | (4,267) |
| Other operating costs | 3,6 | (634) | (649) |
| Depreciation, amortising and impairment charges | 9/10 | (149) | (149) |
| Total operating expenditure | | (7,184) | (8,515) |
| Comprehensive net expenditure for the year funded by grant-in-aid | | (5,473) | (5,046) |

No activities were discontinued during the year.

3.2 Statement of Financial Position as at 31 March 2021

| | notes | As at 31 March 2021 £'000 | As at 31 March 2020 £'000 |
|---|-------|---------------------------------|---------------------------------|
| Non-current assets | | | |
| Tangible assets | 9 | 554 | 640 |
| Intangible assets | 10 | 19 | 31 |
| Investments – new policy required so may drop out | 8 | - | - |
| | | 573 | 671 |
| Current assets | | | |
| Trade and other receivables | 11 | 864 | 865 |
| Cash and cash equivalents | 12 | 639 | 457 |
| | | 1,503 | 1,322 |
| Total assets | | 2,076 | 1,993 |
| Current liabilities | | | |
| Trade and other payables | 13 | (1,146) | (1,005) |
| Total current liabilities | | (1,050) | (1,005) |
| Total assets less current liabilities | | 930 | 988 |
| Taxpayers' equity | | 930 | 988 |

The Accountable Officer authorised the financial statements for issue on 10 September, 2021.

Grant Moir
Chief Executive and Accountable Officer
10 September, 2021

The notes on pages 58 to 69 form part of these accounts.

3.3 Statement of Cash Flows for the year ended 31 March 2021

| notes | For the year to 31 March 2021 £'000 | For the year to 31 March 2020 £'000 |
|--|--|--|
| Net operating expenditure | (5,473) | (5,046) |
| Adjustment for non-cash transactions | | |
| Depreciation, amortisation and impairment charges | 149 | 149 |
| Movements in working capital | | |
| (Increase)/decrease in trade and other receivables | - | (229) |
| (Decrease)/increase in trade and other payables | 129 | (285) |
| Cash flows from investing activities | | |
| Purchase of non-current assets | (38) | (47) |
| Net cash flow from operating activities | (5,233) | (5,458) |
| Cash flows from financing activities | | |
| Grant-in-aid | 5,415 | 4,967 |
| Net (decrease)/increase in cash | 182 | (491) |
| Cash and cash equivalents at 1 April | 457 | 948 |
| Cash and cash equivalents at 31 March | 639 | 457 |

The notes on pages 58 to 69 form part of these accounts.

3.4 Statement of Changes in Taxpayers' Equity for the year ended 31 March 2021

| | notes | For the year to 31 March 2021 £'000 | For the year to 31 March 2020 £'000 |
|--|-------|--|--|
| Balance as at 1 April 2020 | | 988 | 1,067 |
| Grant-in-aid from sponsoring Scottish Government Directorate | 4 | 5,415 | 4,967 |
| Net expenditure | | (5,473) | (5,046) |
| Balance as at 31 March, 2021 | | 930 | 988 |

The notes on pages 58 to 69 form part of these accounts

3.5 Notes to the Financial Statements for the year ended 31 March 2021

Note 1. Accounting policies

The annual accounts are prepared in accordance with the Accounts Direction issued by Scottish Ministers under section 25(b) of the National Parks (Scotland) Act 2000, Government Financial Reporting Manual (FRM) issued by HM treasury, as adopted and interpreted by the Scottish Government, which follows generally accepted accounting practice as defined in International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context. The accounts direction is included as Appendix I to the accounts.

Where FRM permits a choice of accounting policy, those which are considered to be most appropriate in giving a true and fair view have been adopted, and have been applied consistently to all material transactions throughout the financial year.

The accounting policies adopted are set out below and have been applied consistently throughout the year in dealing with items which are considered material to the accounts.

Accounting convention

The accounts are prepared under the historical cost convention.

Accounting period

The accounting period commenced on 1 April 2020 and ended on 31 March 2021.

Going concern

The accounts have been prepared on a going concern basis as the Board and Accountable Officer believe that the Park Authority will continue to receive support from the Scottish Government. Therefore it is considered appropriate to prepare the accounts on a going concern basis.

Non-current assets – property, plant and equipment (PPE)

Assets capitalised are initially recognised at costs in the financial statements and with subsequent recognition depreciated historic costs as a proxy for current value due to the types of tangible assets capitalised, and the short useful economic lives.

The minimum level for the capitalisation of individual non-current assets, other than information technology, is £500. Information technology systems are capitalised where the pooled value exceeds £500. Substantial improvements to leasehold properties are also capitalised

All PPE is reviewed annually for impairment and adjustments are made if necessary.

Non-current assets – intangible assets

Intangible assets capitalised, purchased computer software costing more than £500, are initially recognised at cost. Where an active (homogeneous) market exists, intangible assets other than those that are held for sale, are carried at current value in existing use at the reporting period date. Where no active market exists, the assets are valued, using indices, to depreciated

replacement cost. For 2020/21 the indexation was deemed to be nil and therefore no impact on carrying value.

Depreciation and amortisation

Depreciation or amortisations provided on all non-current assets at rates calculated to write down the cost or valuation on a straight line basis over the useful economic lives in the following ranges:

- park entry markers 25 years
- operational plant and equipment 5 years or over length of lease on land for “Scenic Routes” assets
- information technology 3 – 5 years
- leasehold improvements over the length of the lease, or shorter period depending on the nature of the asset capitalised as a leasehold improvement

Depreciation or amortisation is charged to the Statement of Comprehensive Net Expenditure on the carrying value of the non-current asset.

Financial instruments and exposure to risks

The Park Authority’s financial instruments comprise: trade and other receivables, trade and other payables, and cash and liquid resources.

Trade receivables are recognised at cost, which is assumed to be their fair value, and recoverability is routinely monitored. If it is assumed or known that a debt will be recovered it is written off to the Statement of Comprehensive Net Expenditure. Any subsequent recovery of amounts previously written off are similarly taken Statement of Comprehensive Net Expenditure.

Trade payables are recognised at cost, which is considered to represent fair value.

Cash is held in accounts with commercial banks. There is no significant liquidity or credit risk exposure due to the credit controls in place.

The carrying value of the financial assets and liabilities is considered a reasonable approximation of fair value. The investment in National Parks Partnerships LLP was previously measured at cost less any impairment. IFRS 9 Financial Instruments does not allow for measurement at cost. The capital contributions are non-refundable. The investment is measured at a fair value through profit and loss. The fair value is assessed as nil, which is the same as the carrying value as in the prior year.

Income and expenditure recognition

Income from activities is accounted for in the year to which it relates and not to when cash payments are received.

Where income has been recognised but cash has not been received or paid, a receivable for the corresponding amount is recorded in the Statement of Financial Position. Where cash has been received in advance of the activity, no income is recognised and a payable for the corresponding amount is recorded in the Statement of Financial Position.

Operating income is income that relates directly to the operating activities of the Authority. It includes fees and charges for services provided to external customers.

All income from contracts with customers is recognised in accordance with IFRS15, which depicts the transfer of goods and services to customers in an amount that reflects the consideration to which the Authority expects to be entitled to in exchange for those goods or services. Revenue is recognised in accordance with that core principle by applying the following steps:

- Identification of contract with a customer
- Identification of the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when the performance obligation is satisfied and control of the goods or service has been passed over.

Grant income is recognised in line with IAS 20 when it is receivable. If entitlement of grant income is subject to performance conditions, the income is recognised as the performance conditions are met.

Expenditure on operational activities is accounted for or charged to the Statement of Comprehensive Net expenditure in the year in which it has been done. Staff costs are accounted for in the year in which the salaries are earned together with employer's costs. Other expenditure is charged or accrued into the year the service of goods are used. As part of the year end accounts preparation any expenditure that relates to future accounting periods of more than £500 is prepaid to be matched to income earned in future accounting periods. All expenditure relating to services or goods received by 31 March 2021, after this date, have been accrued.

Scottish Government funding and grant-in-aid

The Authority receives grant-in-aid from the Scottish Government to finance its net expenditure.

The authority receives a budget from the Scottish Government, (Departmental Expenditure Limit or DEL) to fund non-cash expenditure (depreciation) and the cash costs of acquiring tangible and intangible assets and operating expenditure. Taxpayers' Equity is credited with the DEL cash allocation and charged with the net expenditure on the DEL cash allocation in the Statement of Changes in Taxpayers' Equity.

Pension costs

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is a defined benefit scheme. The Authority recognises the expected cost of providing pensions for their employees on a systematic and rational basis over the period during which they benefit from their services by payment to the PCSPS of amounts calculated on an accruing basis. Relevant disclosures are reported in Note 13. Liability for the payment of future benefits is a charge to the PCSPS.

Leases

Operating leases rentals are charged to the Statement of Comprehensive Net Expenditure in the month in which the payment relates and are not recognised in the Statement of Financial Position.

Value Added Tax (VAT)

Most of the activities of the Authority are outside the scope of VAT, and in general output VAT does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or is included in the capitalised purchase cost of when incurred.

Short-term employee benefits

A liability for accrued unused annual leave, flexi-time and time off in lieu of leave (TOIL) is recognised to 31 December, the end of the holiday year. The movement for the year is charged or credited to the Statement of Comprehensive Net Expenditure.

Interest in other entities

IFRS 12: Disclosure of interests in other entities, requires disclosure on interests in subsidiaries, joint arrangement, associates and unconsolidated structured entities. The Authority is a Designate Member of National Parks Partnerships LLP, which was incorporated on 11 June 2016. The Authority, along with the 14 other National Parks, holds an equal share in the LLP. The investment does not meet the criteria of a subsidiary, joint, venture or associate and has been recognised as an investment.

Changes in Accounting Standards

Changes due to be introduced under International Financial Reporting Standards (IFRS) 16 have been again delayed by a year and will now be reflected in the accounts for the year ended 31 March 2022.

IFRS 16, requires lessees to recognise leases on the Statement of Financial Position as an asset which reflects the right to use the underlying asset and a liability which represents the obligation to make lease payments. The impact has not yet been quantified.

Standards, amendments and interpretations early adopted this year

There are no new standards, amendments or interpretations early adopted this year.

Significant judgements and estimates

Preparation of financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include LEADER irregularities. As accountable body for the Cairngorms Local Action Group, which will deliver the Local Development Strategy, the Park Authority is liable for any funding advanced that may not be recoverable (irregularities) from funds made available from the EU through the LEADER rural development program. Based on management's experience of the previous LEADER programme an estimate of the small percentage of costs found to be irregular has been used to make a provision against irregularities in the current 2014-2020 programme, now extended to 31 December 2021. As LEADER funds are committed and advanced the level of provision for irregularities will be closely managed and adjustments made in future accounting periods when warranted.

Note 3. Segmental reporting

IFRS 8: Segmental Reporting, requires operating segments to be identified on the basis of internal reports about components of the Park Authority's work. The categories reported are from the National Park plan to 2022.

| 2021 | Board member and staff costs £'000 | Operational plan expenditure £'000 | Other operating costs £'000 | Operational plan income £'000 | Other income £'000 | Net segmental expenditure £'000 |
|------------------------------------|---------------------------------------|---------------------------------------|--------------------------------|----------------------------------|-----------------------|------------------------------------|
| Conservation | | | | | | |
| Habitat restoration | 271 | 32 | 45 | (14) | - | 334 |
| Priority Species | 546 | 347 | 91 | (252) | (119) | 613 |
| Moorland management | 212 | 119 | 35 | - | - | 366 |
| Catchment management | 6 | 33 | 1 | - | - | 40 |
| | 1,035 | 531 | 172 | (266) | (119) | 1,353 |
| Visitor experience | | | | | | |
| Glenmore | 35 | 91 | 6 | (91) | - | 41 |
| Infrastructure | 171 | 59 | 29 | - | - | 259 |
| Active Cairngorms | 133 | 355 | 22 | (12) | - | 498 |
| Visitor experience | 233 | 51 | 40 | - | - | 324 |
| | 572 | 556 | 97 | (103) | - | 1,122 |
| Rural Development | | | | | | |
| Planning | 646 | 236 | 120 | (144) | (35) | 823 |
| Economic strategy | 103 | 237 | 17 | (201) | (125) | 31 |
| Tomintoul & Glenlivet regeneration | 73 | 560 | - | (552) | (73) | 8 |
| Community support | 180 | 140 | 30 | (61) | - | 289 |
| | 1,002 | 1,173 | 167 | (958) | (233) | 1,151 |
| Corporate services | | | | | | |
| OD strategy | 53 | 7 | 9 | -- | - | 69 |
| Facilities and accommodation | 29 | - | 5 | - | -- | 34 |
| Service improvement | 596 | 77 | 99 | - | (22) | 750 |
| Governance & community | 206 | 196 | 34 | - | - | 436 |
| | 884 | 280 | 147 | - | (22) | 1,289 |
| Communications | 307 | 61 | 51 | (10) | - | 409 |
| | 3,800 | 2,601 | 634 | (1,337) | (374) | 5,324 |

| 2020 | Board member and staff costs £'000 | Operational plan expenditure £'000 | Other operating costs £'000 | Operational plan income £'000 | Other income £'000 | Net segmental expenditure £'000 |
|------------------------------------|--|--|---------------------------------------|---|------------------------------|---|
| Conservation | | | | | | |
| Habitat restoration | 138 | - | 26 | (6) | (1) | 157 |
| Priority Species | 384 | 344 | 72 | (312) | (9) | 479 |
| Moorland management | 227 | 122 | 43 | - | (85) | 307 |
| Catchment management | 15 | 51 | 3 | - | (1) | 68 |
| | 764 | 517 | 144 | (318) | (96) | 1,011 |
| Visitor experience | | | | | | |
| Glenmore | 7 | 234 | 1 | (158) | (1) | 83 |
| Infrastructure | 96 | 574 | 18 | (383) | (7) | 298 |
| Active Cairngorms | 99 | 298 | 19 | (17) | (11) | 388 |
| Visitor experience | 345 | 138 | 65 | (47) | (1) | 500 |
| | 547 | 1,244 | 103 | (605) | (20) | 1,269 |
| Rural Development | | | | | | |
| Planning | 547 | 123 | 103 | - | (110) | 663 |
| Economic strategy | 27 | 502 | 5 | (561) | (1) | (28) |
| Tomintoul & Glenlivet regeneration | 158 | 1,457 | 30 | (1,598) | (1) | 46 |
| Community support | 136 | 260 | 26 | (111) | (1) | 310 |
| | 868 | 2,342 | 164 | (2,270) | (113) | 991 |
| Corporate services | | | | | | |
| OD strategy | 160 | 23 | 30 | - | (2) | 211 |
| Facilities and accommodation | 17 | 3 | 3 | - | (3) | 20 |
| Service improvement | 564 | 76 | 106 | - | (23) | 723 |
| Governance & community | 274 | 1 | 51 | - | (3) | 323 |
| | 1,015 | 103 | 190 | - | (31) | 1,277 |
| Communications | | | | | | |
| | 256 | 61 | 48 | (6) | (10) | 349 |
| | 3,450 | 4,267 | 649 | (3,199) | (270) | 4,897 |

Note 4. Grant-in-aid

| | 2021 £'000 | 2020 £'000 |
|--|----------------------|----------------------|
| Grant-in-aid allocated to meet operational expenditure | 4,928 | 4,727 |
| Grant-in-aid allocated to meet capital expenditure | 487 | 240 |
| | 5,415 | 4,967 |

Note 5. Other income

| | 2021 £'000 | 2020 £'000 |
|--|----------------------|----------------------|
| Operational Plan income from EU sources | 340 | 561 |
| Operational Plan income from other sources | 1,336 | 2,797 |
| Planning fees and other income | 35 | 111 |
| | 1,711 | 3,469 |

Note 6. Board member and staff costs

| | Permanently employed staff and Board Members £'000 | Others £'000 | Total 2021 £'000 | Total 2020 £'000 |
|-----------------------|---|-------------------------|---------------------------------|---------------------------------|
| Board members | | | | |
| Fees | 173 | | 173 | 168 |
| Social security costs | 3 | | 3 | 3 |
| | 176 | | 176 | 171 |
| Staff | | | | |
| Salaries | 2,375 | 311 | 2,686 | 2,402 |
| Social security costs | 233 | 27 | 260 | 229 |
| Pensions | 602 | 76 | 678 | 648 |
| | 3,210 | 414 | 3,624 | 3,279 |
| Total | 3,386 | 414 | 3,800 | 3,450 |

Note 7. Other operating costs

| | 2021 £'000 | 2020 £'000 |
|--|-----------------------|-----------------------|
| Office running costs | 203 | 191 |
| Board and staff costs (excluding salary/fee costs) | 79 | 141 |
| Information technology | 80 | 66 |
| Professional support fees | 38 | 48 |
| Land and buildings rentals | 143 | 143 |
| Vehicles and office equipment rentals | 38 | 49 |
| Independent auditor's fees | 12 | 11 |
| Covid specific related costs (excluding staff costs) | 41 | - |
| | 634 | 649 |

Note 8. Investments

The Authority holds an investment in National Parks Partnerships LLP. At incorporation, the Authority and the other 14 UK National Parks contributed £12,000 for an equal share in the entity with a further capital call in March 2018.

The investment was fully impaired as at 31 March 2018, as the capital contributions cannot be withdrawn or paid back. Under IFRS 9, the investment is measured at a fair value through the Statement of Comprehensive Net Expenditure. The fair value is assessed as nil, which is the same as the carrying value in the prior year.

Note 9. Tangible assets

| | Leasehold improvements | Park entry markers | Operational plant and equipment | ICT | Total |
|-----------------------|---------------------------|--------------------------|---------------------------------------|--------|--------|
| | £'000s | £'000s | £'000s | £'000s | £'000s |
| Cost | | | | | |
| At 1 April 2020 | 238 | 57 | 594 | 197 | 1,086 |
| Additions | - | - | - | 48 | 48 |
| Disposals | - | - | (5) | (2) | (7) |
| At 31 March 2021 | 238 | 57 | 589 | 243 | 1,127 |
| Depreciation | | | | | |
| At 1 April 2020 | (125) | (29) | (176) | (116) | (446) |
| Additions | (25) | (2) | (68) | (39) | (134) |
| Disposals | - | - | 5 | 2 | 7 |
| At 31 March 2021 | (150) | (31) | (239) | (153) | (573) |
| Cost | | | | | |
| At 1 April 2019 | 229 | 57 | 576 | 201 | 1,063 |
| Additions | 12 | - | 13 | 34 | 59 |
| Transfers | (2) | - | 5 | (3) | - |
| Disposals | (1) | - | - | (35) | (36) |
| At 31 March 2020 | 238 | 57 | 594 | 197 | 1,086 |
| Depreciation | | | | | |
| At 1 April 2019 | (99) | (27) | (107) | (116) | (349) |
| Additions | (27) | (2) | (69) | (35) | (133) |
| Disposals | 1 | - | -- | 35 | 36 |
| At 31 March 2020 | (125) | (29) | (176) | (116) | (446) |
| Net book value | | | | | |
| At 31 March 2021 | 88 | 26 | 350 | 90 | 554 |
| At 31 March 2020 | 113 | 28 | 418 | 81 | 640 |

Note 10. Intangible assets

| | Software £'000s |
|-----------------------|---------------------------|
| Cost | |
| At 1 April 2020 | 88 |
| Additions | 3 |
| Disposals | - |
| At 31 March 2021 | <u>91</u> |
| Amortisation | |
| At 1 April 2020 | (57) |
| Additions | (15) |
| Disposals | - |
| At 31 March 2021 | <u>(72)</u> |
| Cost | |
| At 1 April 2019 | 82 |
| Additions | 6 |
| Disposals | - |
| At 31 March 2020 | <u>88</u> |
| Amortisation | |
| At 1 April 2019 | (41) |
| Additions | (16) |
| Disposals | - |
| At 31 March 2020 | <u>(57)</u> |
| Net book value | |
| At 31 March 2021 | <u>19</u> |
| At 31 March 2020 | <u>31</u> |

Note 11. Trade receivable and other current assets

| | 2021 £'000 | 2020 £'000 |
|--------------------------------------|----------------------|----------------------|
| Amounts falling due within one year: | | |
| Project income debtors | 734 | 751 |
| Prepayments and accrued income | 130 | 114 |
| | <u>864</u> | <u>865</u> |

Note 12. Cash and cash equivalents

| | 2021 £'000 | 2020 £'000 |
|---|----------------------|----------------------|
| Balance as at 1 April | 457 | 948 |
| Net change in cash and cash equivalent balances | 182 | (491) |
| Balance as at 31 March | <u>639</u> | <u>457</u> |

The year end balances were held in commercial bank accounts or as imprest cash in hand.

Note 13. Trade payables and other current liabilities

| | 2021 £'000 | 2020 £'000 |
|--------------------------------------|---------------|---------------|
| Amounts falling due within one year: | | |
| Trade payables | 96 | 52 |
| Accruals and deferred income | 509 | 538 |
| Holiday pay accrual | 173 | 147 |
| Provisions | 60 | 92 |
| Other liabilities | 308 | 176 |
| | <u>1,146</u> | <u>1,005</u> |

Provisions carried are for redecoration of the Grantown-on-Spey office and for irregularities on Leader Programme claims. The redecoration provision was released in the year.

Note 14. Pensions

The Authority is a member of the Principal Civil Service Pensions Scheme (PCSPS) which is an unfunded multi-employer defined benefit scheme. The Authority is unable to identify its share of the underlying assets and liabilities of the scheme. A full actuarial valuation was carried out as at 31 March 2012, details of it, and annual Resource Accounts, can be found at www.civilservicepensionscheme.org.uk.

For the year ended 31 March 2021 employer's contributions of £677,523 (2020: £647,488) were paid to the PCSPS. The contributions were payable at one of four rates, from 20% to 24.5% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contribution every four years following a full scheme valuation. The salary band and contributions rates were revised for 2019/20 and will remain unchanged until 2023/24. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

All employees have the opportunity to join the scheme, and can also opt to open partnership pension accounts, a stakeholder pension with an employer contribution. There were no contributions due to partnership pension providers during 2020/21 or the previous year.

Note 15. Capital commitments

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Contracted capital commitments at 31 March 2020 not otherwise included in the financial statements | | |
| Property, plant and equipment | 56 | 22 |

Note 16. Commitments under operating lease

| | Land and buildings | | Motor vehicles and other equipment | |
|------------------------------------|--------------------|---------------|------------------------------------|---------------|
| | 2021 £'000 | 2020 £'000 | 2021 £'000 | 2020 £'000 |
| Not later than 1 year | 143 | 143 | 37 | 44 |
| Later than 1 and less than 5 years | 568 | 568 | 12 | 80 |
| Later than 5 years | 2,268 | 2,400 | - | - |
| | <u>2,979</u> | <u>3,111</u> | <u>49</u> | <u>124</u> |

Note 17. Contingent liabilities

The Park Authority is the lead body for Heritage Lottery Fund supported projects (Tomintoul & Glenlivet Landscape Partnership, the Great Place Badenoch Project, and the Capercaillie Framework Project) as well as being the Accountable Body for Cairngorms LEADER which administers the European funded project (LEADER) on behalf of the Cairngorms Local Action Group. Given the nature of these arrangements advances are made to projects and grant applicants which in turn are reclaimed from the funders. It is possible that funds advanced may fall to be irrecoverable. At this time there is uncertainty whether any liability will arise or its value.

Note 18. Related party transactions

The Authority is a Non-departmental Public Body of the Scottish Government. The Authority's sponsoring body is the Natural Resources Division, Environment & Forestry Directorate.

The Scottish Government and the Natural Resources Division, Environment & Forestry Directorate are regarded as related parties with whom there have been various material transactions during the year in the normal course of operations.

In addition, the Authority has had a small number of material transactions with other Scottish Government departments and other central or local government bodies: Aberdeenshire Council, Angus Council, Crown Estate Scotland, Disclosure Scotland, Forestry Scotland, Highland Council, Highlands and Islands Enterprise, Historic Environment Scotland, Loch Lomond & Trossachs National Park, The Moray Council, Nature Scotland, Perth and Kinross Council, Transport Scotland, and Visit Scotland.

| | 20/21 | | 19/20 | |
|---|-------------------|-------------------|-------------------|-------------------|
| | Payments £,000 | Receipts £,000 | Payments £,000 | Receipts £,000 |
| Geva Blackett as trustee of Braemar Community Limited – grants | 4 | - | 3 | - |
| Geva Blackett as appointee Ballater Royal Deeside – grant | 20 | - | - | - |
| David Cameron, Derek Ross trustees of the Cairngorms Trust – support payments and contributions to sustainable transport within the National Park and for Covid-19 recovery | 95 | - | 84 | - |
| David Cameron, Janet Hunter trustees of The Outdoor Access Trust for Scotland (OATS) – payments for path maintenance and funding of the Mountains and the people project | - | - | 158 | - |
| Janet Hunter, director of CATERAN Ecomuseum - grants | 15 | - | - | - |

| | | | | |
|--|----|---|---|---|
| Janet Hunter, board member Europarc Council – annual subscriptions | 1 | - | - | - |
| John Latham, elect representative Marr Area Partnership – grant | 15 | - | - | - |
| Douglas McAdam, chairman, South Grampian Deer Management Group – grant | 4 | - | - | - |
| Xander McDade, representative National Parks UK – annual subscription | 12 | - | - | - |

There were neither payments nor receipts outstanding at either year end.

No Board member, senior manager or other related parties have undertaken any material transactions with the Authority during the year.

Note. 19 Financial Instruments and Exposure to Risks

The Authority's cash operating and capital expenditure is met from the DEL cash budget allocation from the Scottish Government, from other income sources and from contributions from partner agencies to jointly fund projects. The Authority has no powers to borrow money or to invest surplus funds. Other than financial assets and liabilities which are generated by day-to-day operational activities, the investment in National Parks Partnerships LLP (Note 10, the Authority holds no financial instruments.

Liquidity risk - the Authority's net revenue resource requirements are financed by Scottish Government, as is its capital expenditure. The Authority is not therefore exposed to material liquidity risks.

Credit risk - the Authority's funders are mainly Scottish Government Departments, Executive Agencies or other Public Bodies. The Authority is therefore not exposed to any material credit risk.

Foreign Currency Risk - the Authority is not exposed to foreign currency risk.

The Park Authority's financial assets and liabilities are categorised by groups under IFRS 9 as

| | 2021 £'000 | 2020 £'000 |
|------------------------------|---------------|---------------|
| Financial assets | | |
| Trade and other receivables | 864 | 865 |
| Cash and cash equivalents | 639 | 457 |
| | <hr/> | <hr/> |
| | 1,146 | 1,322 |
| Financial liabilities | | |
| Trade and other payables | 1,146 | 1,005 |
| | <hr/> | <hr/> |

APPENDIX I – ACCOUNTS DIRECTION



CAIRNGORMS NATIONAL PARK AUTHORITY

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of The National Parks (Scotland) Act 2000, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 20 April 2004 is hereby revoked.

A stylized, handwritten signature in black ink, appearing to be 'I.R. Hooper'.

Signed by the authority of the Scottish Ministers

*I.R. Hooper. Head of Country Side and
Natural Heritage Division*

Dated 12 January 2006

APPENDIX 2 – FACILITY TIME DATA

The Trade Union (Facility Time Publication Requirements) Regulations 2017 requires public bodies to publish information relating to staff time dedicated to staff union matters in the following statutory format:

1 Relevant union officials

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 1 (2019/20 -1) | 73.51 (2019/20 – 67.19) |

2 Percentage of time spend on facility time

| % of time | Number of employees |
|-----------|------------------------|
| 0% | - |
| 1-50% | 1 (2019/20 – 1) |
| 51-99% | - |
| 100% | - |

3 Percentage of pay bill spent on facility time

| | |
|--|--|
| Total cost of facility time | £211 (2019/20 - £125) |
| Total pay bill | £3,799,576 (2019/20 - £3,450,380) |
| % of total pay bill spend on facility time | 0.006% (2019/20 - 0.004%) |

4 Trade union activities

| | |
|--|----------------------------------|
| Time spent on paid trade union activities as a % of total paid facility time hours | 0.007% (2019/20 - 0.005%) |
|--|----------------------------------|